

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A TYPE OF WORK DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5 MINERAL LEASE NO FEE	6 SURFACE State
		7 IF INDIAN, ALLOTTEE OR TRIBE NAME Federal	
B TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8 UNIT or CA AGREEMENT NAME	
2 NAME OF OPERATOR COLORADO - UTAH NATURAL GAS, INC.		9 WELL NAME and NUMBER C-UNGI 14-21-23-1	
3 ADDRESS OF OPERATOR 140 WEST 9000 SOUTH SANDY UTAH 84070 <small>CITY STATE ZIP</small>		PHONE NUMBER 775-240-0769	10 FIELD AND POOL, OR WILDCAT GREATER CISCO AREA
4 LOCATION OF WELL (FOOTAGES) AT SURFACE 872' FSL 2304' FWL SAME 643627X 38,974815 AT PROPOSED PRODUCING ZONE SAME 4315081Y -109.342006		11 QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN Sec 14 SE SW T21S, R23E, SLB&M	
14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE CISCO, UTAH 84515		12 COUNTY GRAND	13 STATE UTAH
15 DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 872'	16 NUMBER OF ACRES IN LEASE 240	17 NUMBER OF ACRES ASSIGNED TO THIS WELL 10 ACRES	
18 DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 519'	19 PROPOSED DEPTH 990'	20 BOND DESCRIPTION CASH	
21 ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC) 4359' GR	22 APPROXIMATE DATE WORK WILL START AS SOON AS APPROVED	23 ESTIMATED DURATION 4 DAYS	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12"	8 5/8" J-55 26#	120'	CEMENTED TO SURFACE
6 3/4"	4 1/2" LIMITED SERVICE	TOTAL DEPTH	CEMENTED TO SURFACE

RECEIVED

ATTACHMENTS

APR 20 2005

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

- ☐ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- ☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☐ COMPLETE DRILLING PLAN
- ☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) **DEAN H. CHRISTENSEN**

TITLE **PRESIDENT**

SIGNATURE 

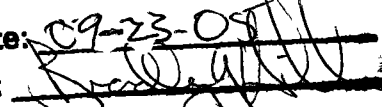
DATE **4/18/05**

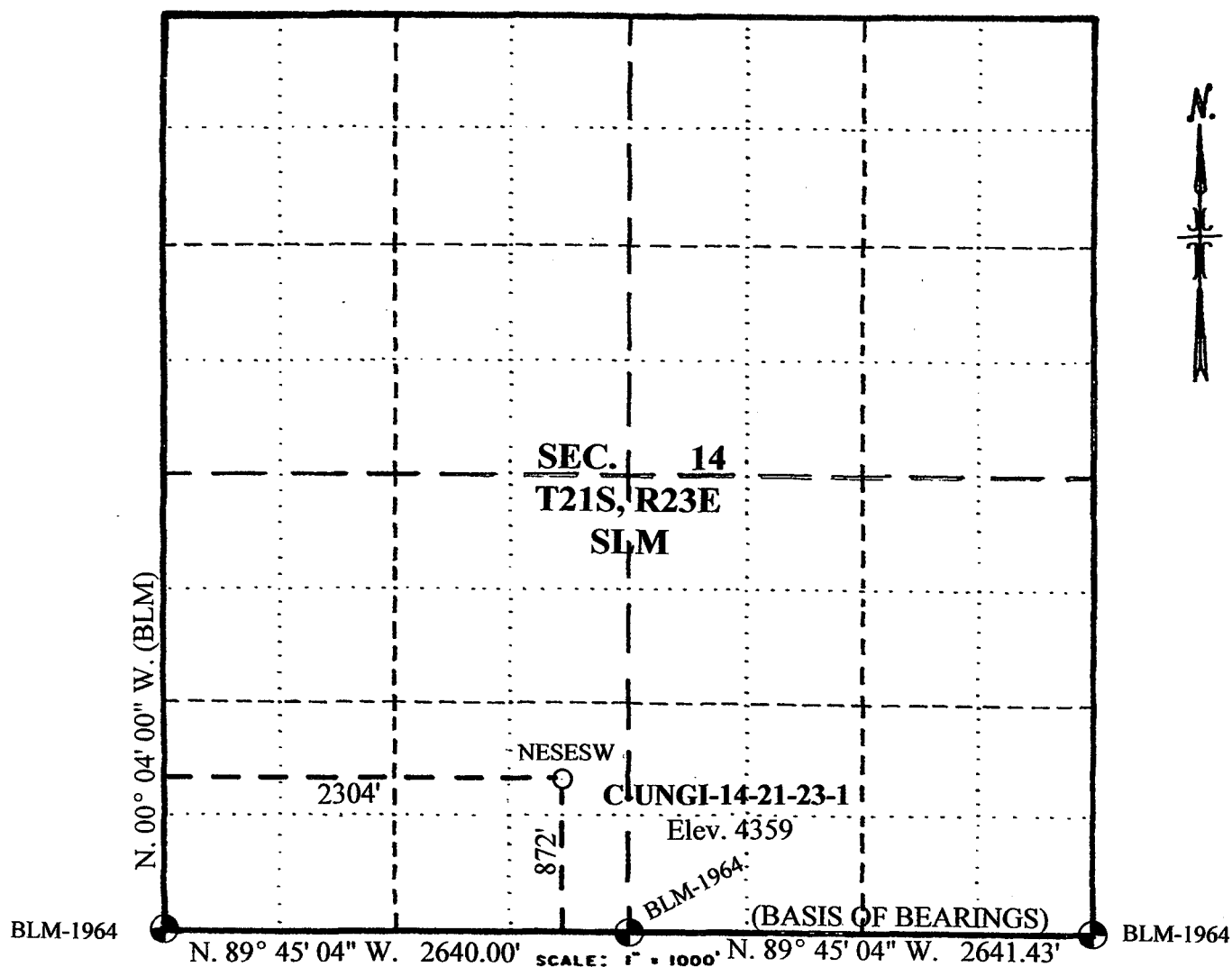
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**Approved by the
Utah Division of
Oil, Gas and Mining**

API NUMBER ASSIGNED **43-019-31450**

APPROVAL

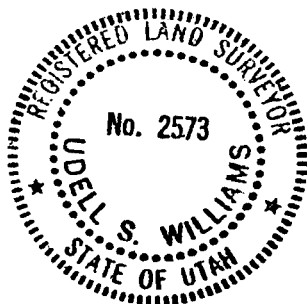
Date: **09-23-05**
By: 



C-UNGI-14-21-23-1

Located 872 feet FSL and 2304 feet FWL in Section 14, T21S, R23E, SLM.

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Udell S. Williams
Utah PLS No. 2573



UDELL S. WILLIAMS

Professional Land Surveyor
449 E. Scenic Dr.
Grand Junction, CO 81503-1569

PLAT OF
PROPOSED LOCATION

C-UNGI-14-21-23-1

NESESW SECTION 14
T21S, R23E, SLM

SURVEYED BY: USW DATE: 3/22/2005

DRAWN BY: USW DATE: 3/24/2005

EXHIBIT "B"

**C-UNGI-14-21-23-1
TEN-POINT COMPLIANCE PROGRAM NTL-6
Approval of Operations**

COLORADO-UTAH NATURAL GAS, INC.
140 WEST 9000 SOUTH
SUITE 9
SANDY, UTAH 84070

1. GEOLOGIC SURFACE FORMATION:

THE SURFACE (4359') IS MANCOS SHALE.

2. IMPORTANT GEOLOGIC MARKERS:

A. "A" ZONE MARKER	449'
B. DAKOTA (Kd)	504'
C. CEDAR MOUNTAIN (Kcm)	685'
D. MORRISON (Jm)	889'
E. SALT WASH (Jsw)	974'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL OR GAS.

<u>Formation</u>	<u>Depth</u>	<u>Fluids</u>
Dakota	504'	Gas
Cedar Mt.	685'	Oil/water
Morrison	889'	Gas/Oil
Salt Wash	971'	Gas/Oil

4. PROPOSED CASING PROGRAM:

A. DRILL 9 ½" HOLE TO 120' SET 8 5/8" 26#, CEMENT TO SURFACE

B. DRILL 6 3/4" HOLE TO 995' AND SET 4 1/2" LIMITED SERVICE CASING (9.5#). CEMENT 400' ABOVE THE HIGHEST SAND ENCOUNTERED.

C. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

EXHIBIT "C" IS A SCHEMATIC DIAGRAM OF A BLOWOUT PREVENTER PLANNED FOR THE USE ON THIS WELL. The BOP will be hydraulically tested to 1000 psi after nipping up and after any use if closed against any well pressure. Pipe rams will be operationally checked each trip. All tests will be recorded in the daily tower reports. Accessories to the BOP include a Kelly Cock, safety valve, drill string BOP and choke with pressure rating equivalent to the BOP stack.

6. TYPE AND CHARACTERISTICS OF PROPOSED MUDS:

The well will be drilled with mist until such time as sufficient fluids are encountered forcing the use of drilling fluids to remove the cuttings. One hundred barrels of 8.5 brine will be available for use in drilling or in the event that it is needed to kill the well or as necessary for logging operations.

7. AUXILIARY EQUIPMENT TO BE USED:

- A. Kelly Cock will be kept on the drill string.
- B. A full opening stabbing valve will be on the floor for use, when the Kelly is not in the string.
- C. A float will be run after the bit.
- D. Monitoring equipment will be installed and used on the mud system if being used.

8. TESTING, LOGGING, AND CORING PROGRAMS:

- A. No drill stem tests are planned at this time.
- B. The logging program will consist of an Induction Electric & Compensated-Density. A bond log will be run for perforation.

C. No coring is planned.

D. Drill samples will be caught at 5' intervals after the "A" marker is determined.

9. ANY ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES:

No abnormal gas pressures or temperatures are anticipated. No hydrogen sulfide or other hazardous gasses or fluids have been reported in the area of this location.

10. ANTICIPATED STARTING DATE AND DURATION OF OPNS.:

The anticipated starting date is May 25, 2005, or as soon as is possible after approval of all drilling requirements.

Drilling operations should be completed within seven (7) day of the commencement of operations.

C-UNGI 14-21-23-1

Exhibit "D"

MULTI-POINT REQUIREMENTS TO APD

1. EXISTING ROADS:

A. EXHIBIT "A" IS THE PROPOSED WELL SITE AS STAKED BY UDELL WILLIAMS, A REGISTERED SURVEYOR. THE GROUND ELEVATION IS SHOWN ON THE WELL PLAT.

B. EXHIBIT "E" IS THE ROUTE AND DISTANCE ROAD MAP. THE LOCATION IS ONE AND A HALF MILES FROM THE CISCO POST OFFICE (84515). THE ROUTE TO THE WELL IS SHOWN IN GREEN ON THE ATTACHED MAP.

C. Exhibit "F" is a copy of the Cisco Quad and shows the access road to the location.

D. All existing roads appear on the attached exhibits.

E. This is considered to be a development well.

F. All roads from Cisco to this location are in good condition and allow for heavy trucking on a regular basis. The roads to this well site were improved when the freeway was constructed is constructed with crushed asphalt that has been rolled into road base. The operator intends to install a central tank battery for this well and for an adjacent location (C-UNGI 14-21-23-1). Both wells have common ownership and royalty owners.

2. PLANNED ACCESS ROADS:

The access road to this location will be of minimal surface disturbance. This road will be bladed and leveled as will the location.

A. The typical section of the access road will be 16' in width.

B. No grade exists or will be more than 2-4%

C. No turn-out will be necessary.

D. No culverts are necessary or will be required.

E. No fill or other surface materials will be necessary.

F. No gates or cattle guards are required.

G. The proposed access route will be flagged

H. A rights of way for this location are granted via the Warranty Deed issued by the Federal Government via the exchange of acreage.

3. LOCATION OF EXISTING WELLS:

All existing wells within a one-mile radius of this development well are shown on exhibit "F".

A. There are no water wells.

B. Numerous abandoned wells exist and are located on Exhibit "F".

C. No temporarily abandoned wells exist.

D. There are no disposal wells

E. Another well is being proposed 400' to the east.

- F. Existing wells and proposed locations are on Exhibit "F".
- G. Shut-in locations are shown on Exhibit "F".
- H. There are no injection wells at this time.
- I. No monitoring or observation wells exist..

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Within one-mile radius of this location are existing facilities owned and controlled by the lessee/operator as shown on Exhibit "F". The facilities consist of currently operated wells with their surface equipment and access roads.

B. The Cisco Gathering System, a 3 ½" installed pipeline, owned by the operator, with a terminus into the Northwest Pipeline.

C. Exhibit "T" shows the anticipated production facilities.

D. The dimensions of the production facilities Are shown on Exhibit "T" and is drawn to a scale of 1" to 50'.

E. No outside construction material will be needed except for gravel to be placed under the Pump-jack and other production equipment, including storage tanks.

F. A water disposal pit will be constructed on each site and will be flagged.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water and Salt Brine will be hauled from Moab for use on this location. No water well or other source of water is planned.

6. SOURCE OF CONSTRUCTION MATERIALS:

Any and all construction materials (gravel) necessary will be purchased and transported from Green River, Utah,

7. METHODS FOR HANDLING WASTE DISPOSAL:

A. Drill cuttings will be buried in the reserve pit.

B. Drilling fluids will be contained in steel mud pits and/or the reserve pit. These fluids, if reusable, will be transported to the next drilling location. Eventually any remaining fluids will be disposed of in an approved disposal site in Green River, Utah.

C. Any hydrocarbon liquids produced while drilling or initial production testing will be collected in a tank and sold. Any spill or other adverse substances will be removed from the site upon the completion of the drilling operations and transported to an approved disposal facility in either Moab or Green River, Utah,

D. A commercial "Chemical outhouse facility" will be rented and installed on the site and utilized to receive human waste.

E. Garbage and other trash will be collected in a trash container and hauled. To the

nearest designated landfill either in Moab or Green River, Utah.

F. The entire site will be cleaned up and restored to a smooth contour when the rig moves off location. Only that part of the location required for production will be used. An appropriate seed mixture native to the site will be planted on the disturbed unused portions of the site during the fall months to insure maximum available moisture.

8. ANCILLARY FACILITIES:

No airstrips, camps, or other living facilities will be built for this location.

9. WELL SITE LAYOUT:

A. Exhibit "G" is the Drill pad layout. Any topsoil moved will be stockpiled and reused upon the completion of this project.

B. The mud tanks, reserve pit, trash cage, pipe racks and any stored soil, rig set up, parking facilities and access roads are all shown on Exhibit "H".

C. The reserve pits will not be lined. Steel mud tanks will be used and are shown on Exhibit "H". If water is produced during production a disposal study will be completed.

10. PLANS FOR RESTORATION:

A. Back filling, leveling, and re-contouring will be accomplished as soon as possible after the completion of drilling, completion and testing operations. If the well is plugged, an appropriate plugging program will be submitted for approval. If the well is a commercial well, the production facilities, to include the installation of underground piping to the central tank battery will be completed and the unused and/or other disturbed areas will be replanted and leveled.

B. Rehabilitation of the surface will be accomplished by re-contouring as practical back to blend with the original contours. Any stockpiled top soils will be spread along with ripping of the pad. Re-vegetation will be accomplished with native grasses or other seeds designated by the appropriate surface control agency (State of Utah or BLM).

C. Three sides of the reserve pit will be fenced prior to drilling operations. Upon the rig being released, the reserve pit will be fenced on all sides and will remain until abandonment of the site at which time it will be re-contoured and filled.

D. Any spills will be immediately reported and cleaned up.

E. Rehabilitation operations will commence as soon as possible and practical after the rigs have been moved off of the location. Seeding will be completed during the fall period to insure the best growth potential.

11. OTHER INFORMATION:

A. As indicated on Exhibit "F", the topography of the location has very little relief. The

location is a gentle sloping area which will necessitate very little construction. This location is located in the middle of an operating Oil Field. and is surrounded by numerous operating wells.

B. The soil is light gray typical of Mancos.

C. The vegetation in the immediate area surrounding this location is Gardner Salt Bush, Shadscale, greasewood, cheatgrass, and prickly pear catus. None of these species is endangered or of any economic value other than for soil stabilization, which is not a factor, as the area is almost level with little or no soil erosion.

D. The fauna of the area consists of stray cattle, an occasionally lost sheep, antelope, rabbits, lizards, snakes, raven and an occasional coyote. None of the observed animals are endangered or on any protected list.

E. The surface area is Federal land. The minerals are held in Fee. None of the lands are inhabited or utilized in any manner except for the development of oil and gas resources.

F. The nearest live water is found in the wash area to the west approximately one-half mile to the west. This wash is known as Cisco Wash.

G. The nearest occupied dwelling is owned by a Principal of Colorado Utah Natural Gas, Inc., and has been owned for approximately twenty years. This facility will be used during the drilling operations for sleeping, cooking and communications (435-564-3543).

H. There are no known or visible archeological, historical, or cultural sites within reasonable proximity to this location.

I. There are no restrictions noted in the oil and gas lease.

12. LESSEE'S OR OPERATORS REPRESENTATIVE:

Tariq Ahmad
137 Vassar, #5
Reno, Nevada 81502
775-240-0769
775-333-6626

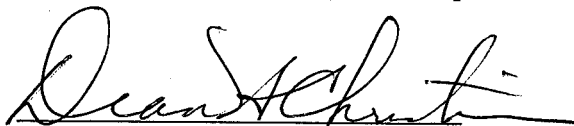
Dean H. Christensen
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Unit 139
Murray, Utah 84107
801-554-2021
801-2622-1429

Terry R. Spencer, Esq.
140 West 9000 South
Suite 9
Sandy, Utah 84070
801-566-1884
801-244-7778

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by my contractors and subcontractors in conformity with this plan and terms and conditions under which it is approved.

4/18/05
DATE


Dean H. Christensen
President

WELLS ON PLAT

WELL NAME	API NUMBER	T21S, R23E LOCATION
1. CISCO OIL REFINING #1 PLUGGED AND ABANDONED	43-019-11529	SEC 13 660 FSL 1650 FEL
2. GOLDEN FEE #1 PLUGGED AND ABANDONED	43-019-10363	SEC 13 660 FSL 660 FWL
3. FEE #2 PLUGGED AND ABANDONED	43-019-11528	SEC 13 250 FSL 2310 FEL
4. CISCO OIL DEVL. #1 PLUGGED AND ABANDONED	43-019-11527	SEC 13 660 FSL 1980 FEL
5. ARIZONA-UTAH GAS & OIL #2 PLUGGED AND ABANDONED	43-019-11526	SEC 13 330 FSL 1980 FEL
6. FEE #1 PLUGGED AND ABANDONED	43-019-11214	SEC 13 330 FSL 2310 FEL
7. PAULSON 23-2 SHUTIN GAS WELL	43-019-30261	SEC 23 330 FNL 330 FEL
8. GOV'T STRAT 1 PLUGGED AND ABANDONED	43-019-11549	SEC 23 2410 FNL 1520 FEL
9. VANOVER #2 PLUGGED AND ABANDONED	43-019-30247	SEC 24 1650 FNL 330 FEL
10. WHYTE STATE #3 PLUGGED AND ABANDONED	43-019-30015	SEC 24 2310 FSL 330 FWL
11. VANOVER FEE #1 PLUGGED AND ABANDONED	43-019-30012	SEC 24 1670 FNL 1020 FEL
12. CISCO OIL REFINING #3 PLUGGED AND ABANDONED	43-019-20385	SEC 24 1650 FSL 990 FEL
13. KENMORE 24-114 PLUGGED AND ABANDONED	43-019-20383	SEC 24 990 FNL 1650 FEL
14. KENMORE 24-15 PLUGGED AND ABANDONED	43-019-20381	SEC 24 660 FNL 1980 FWL
15. HANSON FEE #1 PLUGGED AND ABANDONED	43-019-20287	SEC 24 2310 FNL 965 FEL
16. WHYTE STATE #5 PLUGGED AND ABANDONED	43-019-16264	SEC 24 2310 FNL 329 FWL
17. MURRAY FEE #2 PLUGGED AND ABANDONED	43-019-16262	SEC 24 558 FNL 573 FEL
18. KENMORE #3 PLUGGED AND ABANDONED	43-019-16261	SEC 24 1015 FNL 2050 FEL
19. AUDREY #1 PLUGGED AND ABANDONED	43-019-15109	SEC 24 1580 FNL 2190 FEL
20. ROY COOK #1 PLUGGED AND ABANDONED	43-019-15005	SEC 24 1228 FNL 1965 FEL
21. POOR BOY #1 PLUGGED AND ABANDONED	43-019-15004	SEC 24 400 FNL 2000 FEL

PAGE 2
PLATTED WELLS

WELL NAME	API NUMBER	T21S, R23E LOCATION
22. MURRAY #3 PLUGGED AND ABANDONED	43-019-15003	SEC 24 330 FNL 990 FEL
23. FULLER #1 PLUGGED AND ABANDONED	43-019-15001	SEC 24 1045 FNL 2390 FWL
24. CISCO OIL REFINING #2 PLUGGED AND ABANDONED	43-019-11536	SEC 24 2310 FSL 990 FEL
25. CISCO OIL REFINING #1 PLUGGED ABANDONED	43-019-11535	SEC 24 2310 FNL 990 FEL
26. KENMORE 24-106 PLUGGED AND ABANDONED	43-019-11534	SEC 24 1650 FNL 1650 FEL
27. FEE 1 PLUGGED AND ABANDONED	43-019-11533	SEC 24 990 FNL 2000 FEL
28. VANOVER FEE #2 PLUGGED AND ABANDONED	43-019-11417	SEC 24 990 FNL 330 FEL
29. WHYTE-STATE #1 PLUGGED AND ABANDONED	43-019-11443	SEC 24 395 FNL 993 FWL
30. KENMORE #2 PLUGGED AND ABANDONED	43-019-10384	SEC 24 660 FNL 660 FEL

PRODUCING WELLS PLATTED

31. VANOVER FEE #2 PRODUCING GAS WELL	43-019-31105	SEC 24 1820 FNL 820 FEL
32. WHYTE STATE #2 SHUTIN OIL WELL	43-109-16263	SEC 24 1650 FSL 2310 FWL
33. GIBRALTER #1 PRODUCING OIL WELL	43-019-31033	SEC 24 1274 FNL 2192 FEL

PRODUCING WELLS NOT PLATTED

34. PETRO-X 23-1 SHUT IN GAS WELL	43-019-30558	SEC 23 330 FNL 2310 FWL
35. NUGGETT 14-4 SHUT IN OIL WELL	43-019-30423	SEC 14 990 FSL 2241 FEL

PLUGGED AND ABANDONED WELLS NOT PLATTED

36. PAULSON STATE 23-3 PA	43-019-30381	SEC 23 1020 FSL 1120 FWL
37. SARGEANT-GOV'T 1	43-019-10666	SEC 13

WELLS ON PLAT

WELL NAME	API NUMBER	T21S, R23E LOCATION
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3. FEE #2 PLUGGED AND ABANDONED	43-019-11528	SEC 13 250 FSL 2310 FEL
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9. VANOVER #2 PLUGGED AND ABANDONED	43-019-30247	SEC 24 1650 FNL 330 FEL
10. WHYTE STATE #3 PLUGGED AND ABANDONED	43-019-30015	SEC 24 2310 FSL 330 FWL
11. VANOVER FEE #1 PLUGGED AND ABANDONED	43-019-30012	SEC 24 1670 FNL 1020 FEL
12. CISCO OIL REFINING #3 PLUGGED AND ABANDONED	43-019-20385	SEC 24 1650 FSL 990 FEL
13. KENMORE 24-114 PLUGGED AND ABANDONED	43-019-20383	SEC 24 990 FNL 1650 FEL
14. KENMORE 24-15 PLUGGED AND ABANDONED	43-019-20381	SEC 24 660 FNL 1980 FWL
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16. WHYTE STATE #5 PLUGGED AND ABANDONED	43-019-16264	SEC 24 2310 FNL 329 FWL
17. MURRAY FEE #2 PLUGGED AND ABANDONED	43-019-16262	SEC 24 558 FNL 573 FEL
18. KENMORE #3 PLUGGED AND ABANDONED	43-019-16261	SEC 24 1015 FNL 2050 FEL
19. AUDREY #1 PLUGGED AND ABANDONED	43-019-15109	SEC 24 1580 FNL 2190 FEL
20. ROY COOK #1 PLUGGED AND ABANDONED	43-019-15005	SEC 24 1228 FNL 1965 FEL
21. POOR BOY #1 PLUGGED AND ABANDONED	43-019-15004	SEC 24 400 FNL 2000 FEL

PAGE 3
WELLS

WELL NAME	API NUMBER	T21S R23E LOCATION
38. ST BUCKHORN-ADAK 14-1 PLUGGED AND ABANDONED	43-019-30396	SEC 14 1650 FNL 2310 FEL
39. BUCKHORN-NUGGETT 14-2 PLUGGED AND ABANDONED	43-019-30399	SEC 14 1075 FSL 0399 FWL
40. VUKASOVICH 14-3 PLUGGED AND ABANDONED	43-019-30511	SEC 14 1164 FNL 261 FWL
41. PEERLESS OIL COMPANY 1 PLUGGED AND ABANDONED	43-109-11531	SEC 23 660 FNL 660 FWL
42. UTAH SOUTHERN OIL CO 2 PLUGGED AND ABANDONED	43-019-11532	SEC 23 990 FSL 280 FWL

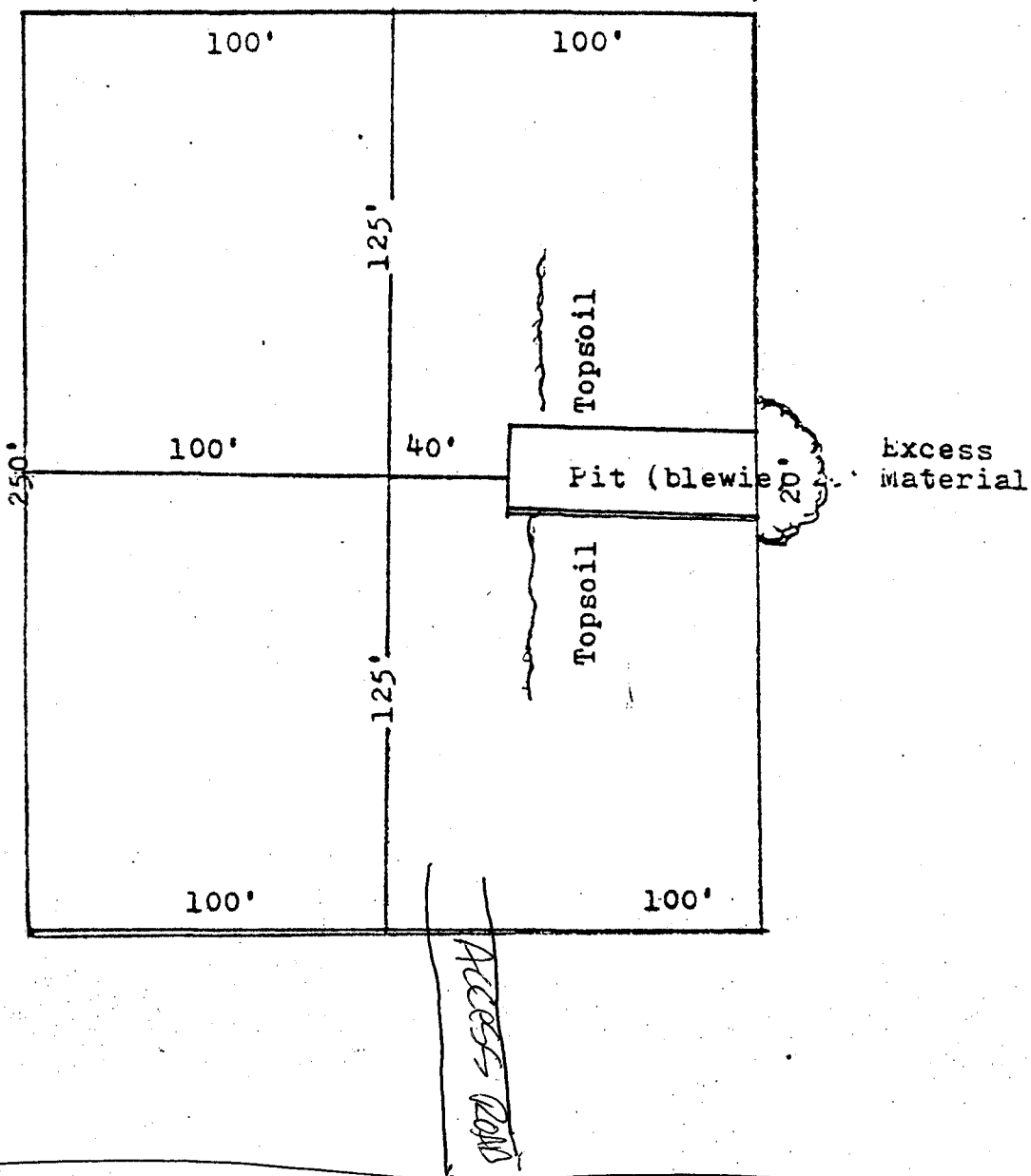
Exhibit "G"

Pad Layout

TOPSOIL

STOCKPILE

N



ASPHALT ROAD

EXHIBIT "H"

RIG LAYOUT

C-UNGI-14-21-23-1

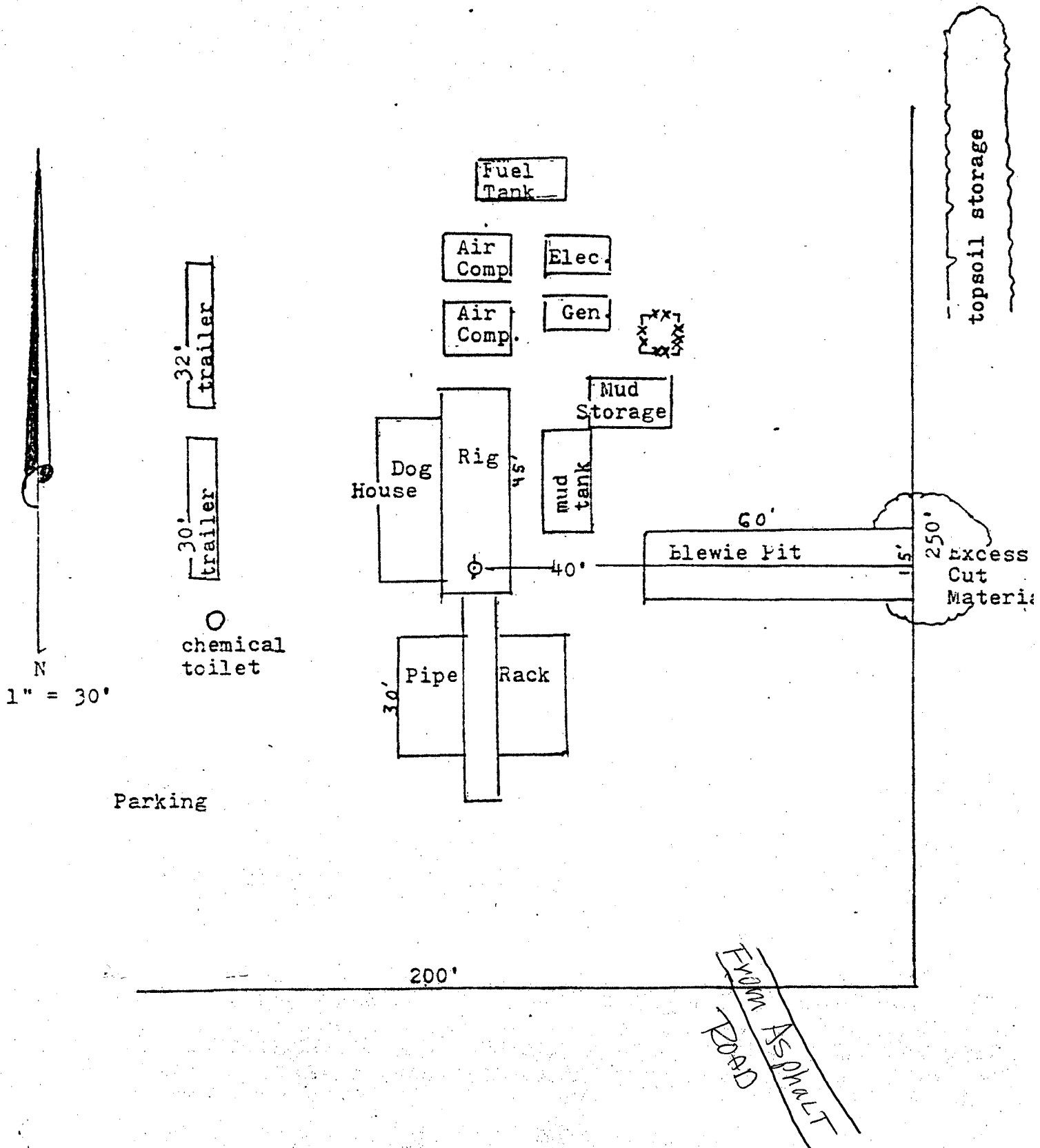
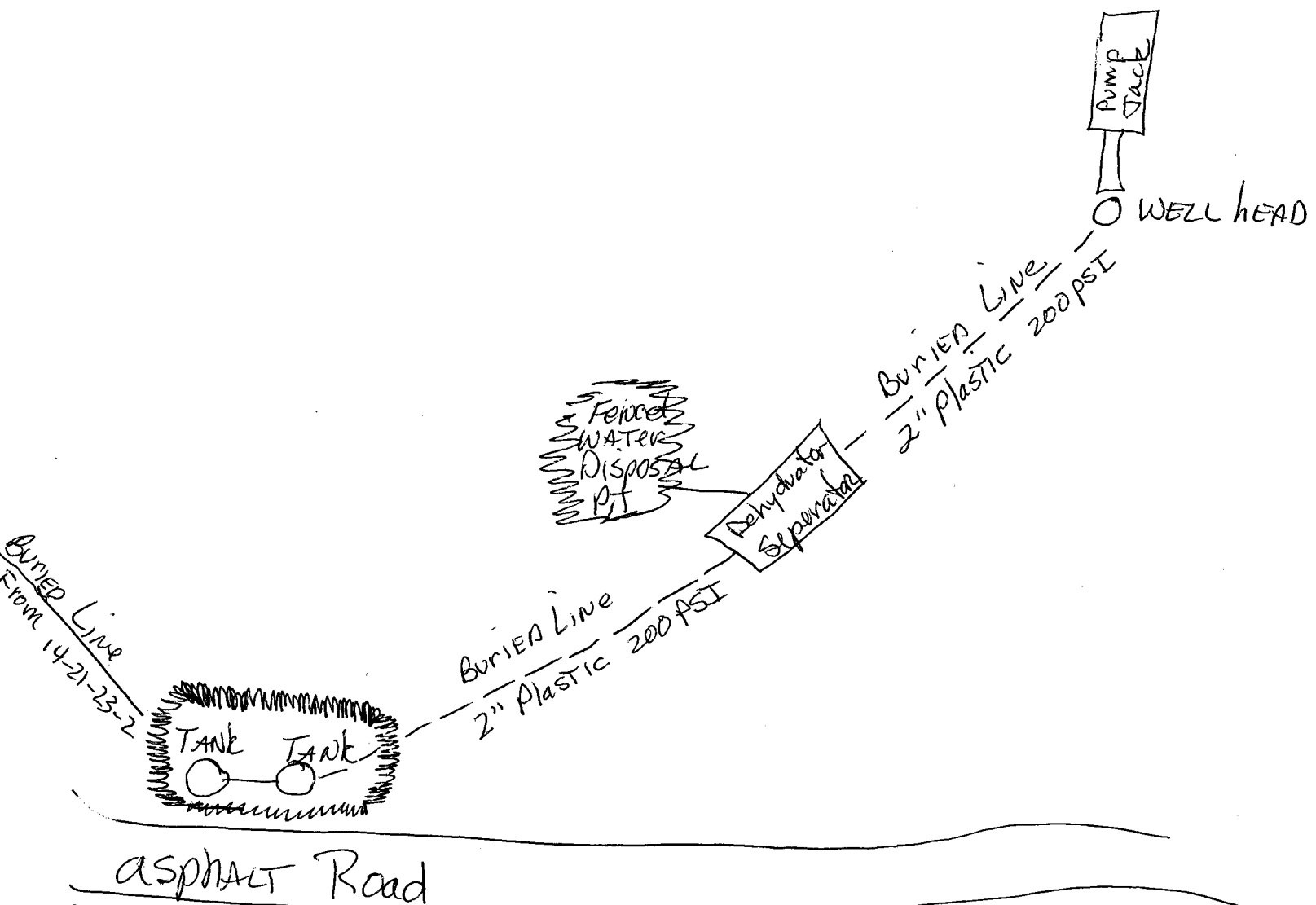
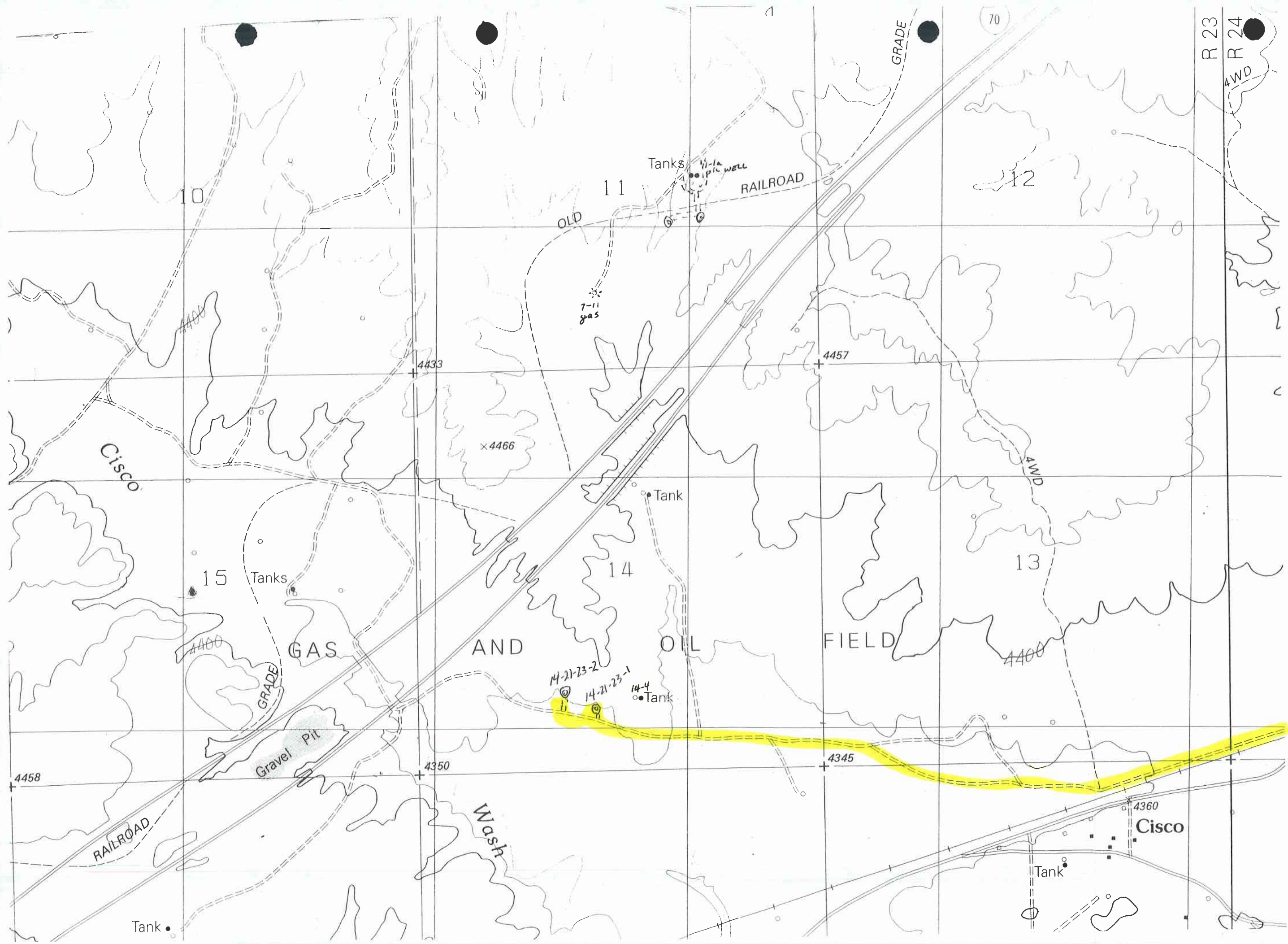


EXHIBIT "T"
PRODUCTION FACILITIES
C-UNGI-14-21-23-1



★ Consolidated Tank Battery common with C-UNGI-14-21-23-2
(SAME WORKING INTEREST AND ROYALTY OWNERS)



4162 III SE
(DANISH FLAT 1:24 000)

GRAND JUNCTION 52 M
FRUITA 41 M

2 630 000 FEET R 24 E

109° 15'

39° 0'
2500
FEET

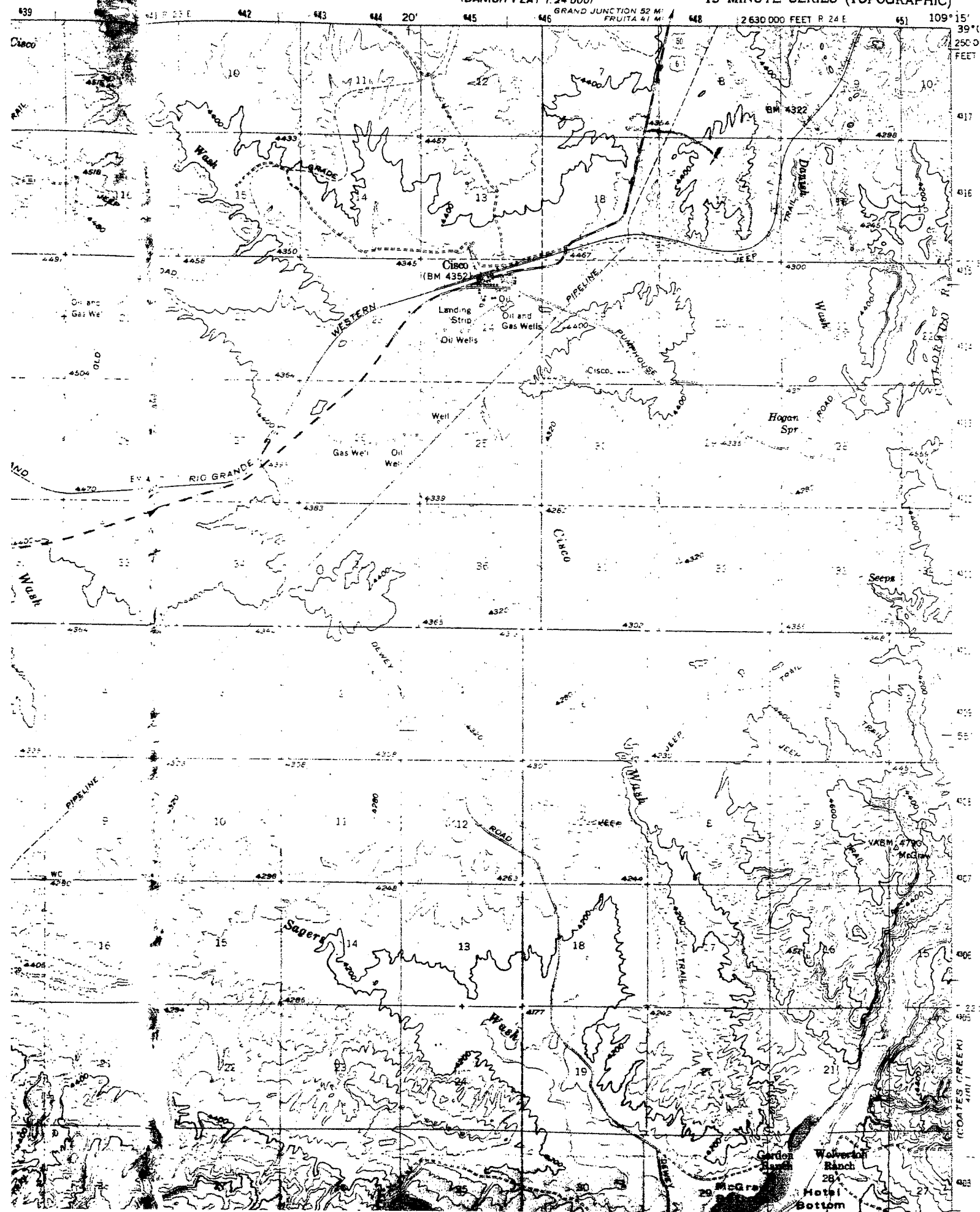
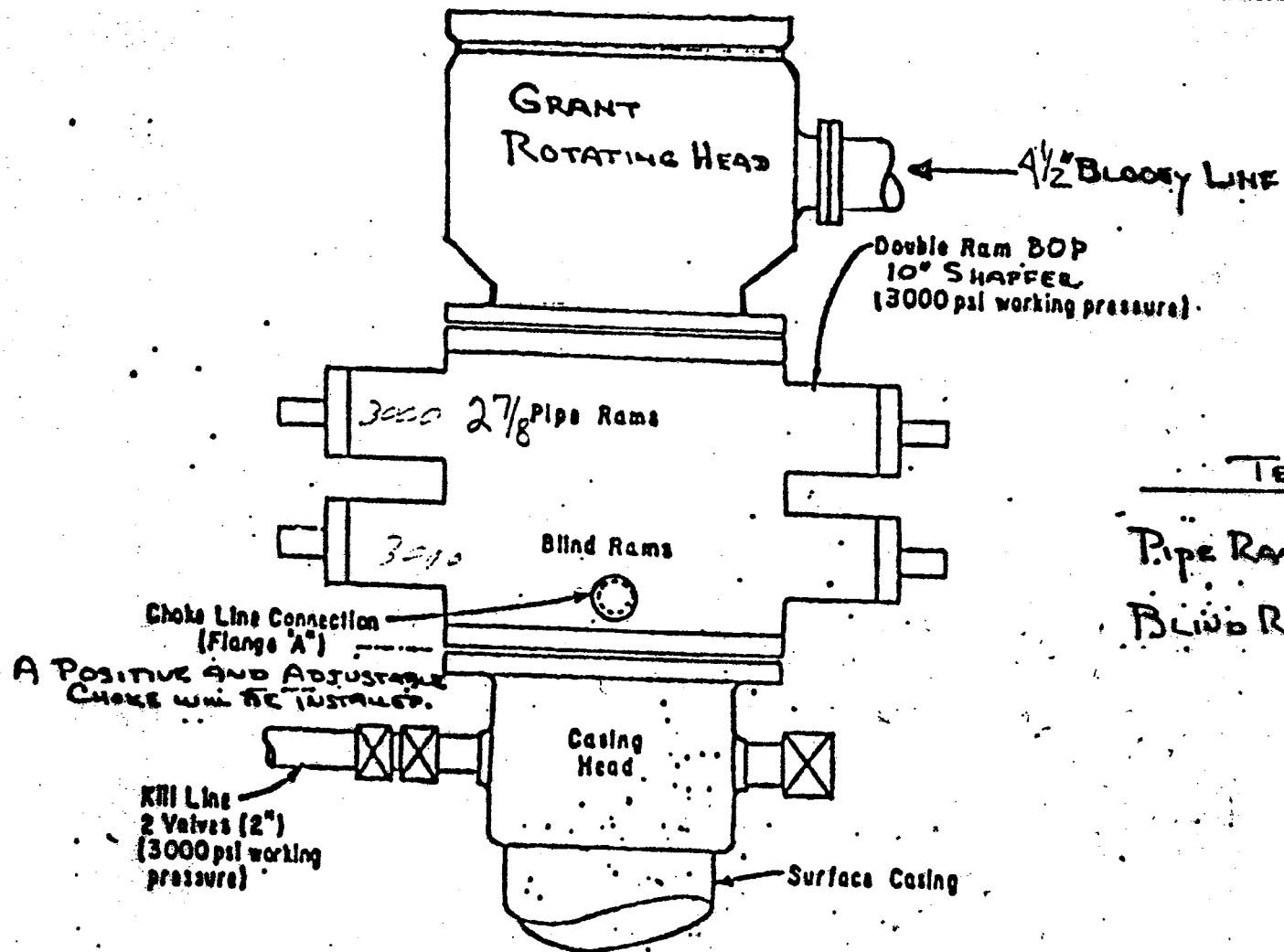


EXHIBIT "C" BOP SCHEMATIC

EXHIBIT "C"



TESTING FREQUENCY

PIPE RAMS: DAILY

BLIND RAMS: EVERY TRIP

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/20/2005

API NO. ASSIGNED: 43-019-31450

WELL NAME: C-UNGI 14-21-23-1

OPERATOR: COLORADO-UTAH NATURAL (N2765)

CONTACT: DEAN CHRISTENSEN

PHONE NUMBER: 775-240-0769

PROPOSED LOCATION:

SESW 14 210S 230E

SURFACE: 0872 FSL 2304 FWL

BOTTOM: 0872 FSL 2304 FWL

GRAND

GREATER CISCO (205)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: SLTW

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DCC	6/14/05
Geology		
Surface		

LATITUDE: 38.97482

LONGITUDE: -109.3420

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 763850625)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. MUNICIPAL)
☒ RDCC Review (Y/N)
(Date: _____)
____ Fee Surf Agreement (Y/N)
** from BUM*

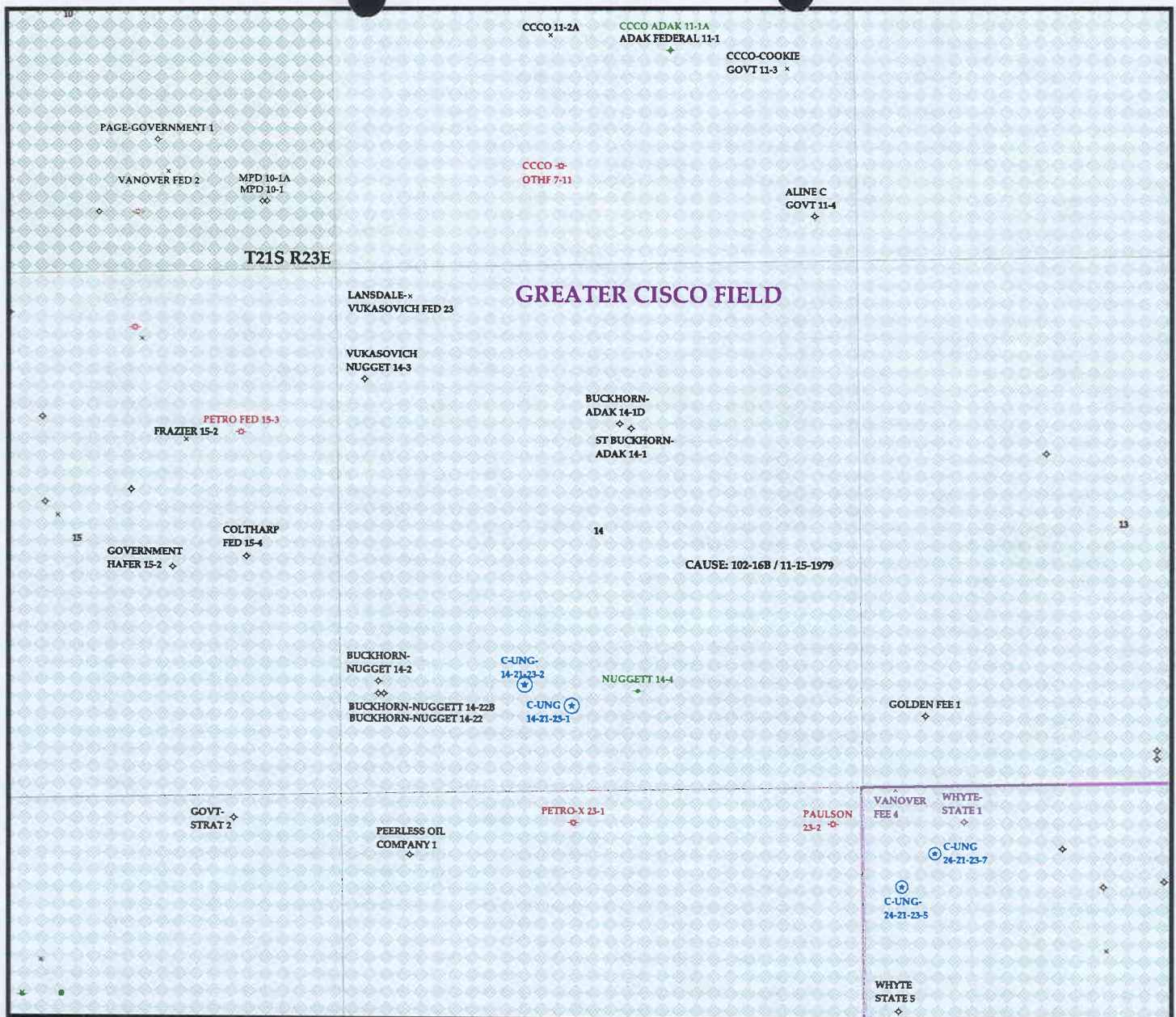
LOCATION AND SITING:

____ R649-2-3.
Unit _____
____ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
____ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 102-16B
Eff Date: 11-15-1979
Siting: See Cause order
____ R649-3-11. Directional Drill

COMMENTS: NEEDS BONDING 5/9/05-ER

STIPULATIONS:

1- Cement approved
2- ~~2- 8 1/2" Surface Csg~~ Cont Steps #4 - 8 1/2" Surface Csg and 4 1/2" prod. csg Cemented to surface
3-



OPERATOR: COLORADO-UTAH (N2765)

SEC: 14 T. 21S R. 23E

FIELD: GREATER CISCO (205)

COUNTY: GRAND

CAUSE: 102-16B / 11-15-1979



Wells

- ✱ GAS INJECTION
- GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ✱ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⬮ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 6-MAY-2005

05-05 C-UNGI 14-21-23

Casing Schematic

Mancos

Surface

Prepare TOC - Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
53.
Surface
120. MD

w/18% Washout
Surface w/ 0% Washout
✓ Surface Stop

BHP

$$(.052)(990)(8.4) = 432$$

Gas

$$(.12)(990) = 118$$

MWSP = 314

ROP - 1,000 ✓

Surf csg - 2950
70% = 2065

Mat pressure @ shoe = 241#
Test To 300# min. ✓

✓ Adequate DKO 6/14/05

4-1/2"
MW 8.4

TOC @
605.

685 Cedar mtn

889 Morrison

Production
990. MD

Stop

TOC above Dakota
✓ TO Surface

w/15% Washout
TOC 493' w/ 6% Washout

Well name:

05-05 C-UNGI 14-21-23-1

Operator: Colorado-Utah Natural Gas, Inc.

String type: Surface

Project ID:

43-019-31450

Location: Grand County

Design parameters:**Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 67 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 120 ft

Cement top: 53 ft

Burst

Max anticipated surface pressure:

313 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 328 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 105 ft

Re subsequent strings:

Next setting depth: 990 ft

Next mud weight: 8.400 ppg

Next setting BHP: 432 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 990 ft

Injection pressure 990 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	120	8.625	24.00	J-55	ST&C	120	120	7.972	5.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	52	1370	26.163	328	2950	9.00	3	244	96.95 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 810-359-3940Date: May 10, 2005
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 120 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

05-05 C-UNGI 14-21-23-1Operator: **Colorado-Utah Natural Gas, Inc.**String type: **Production**

Project ID:

43-019-31450Location: **Grand County****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 79 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 605 ft

BurstMax anticipated surface
pressure: 313 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 432 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 864 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	990	4.5	9.50	J-55	ST&C	990	990	3.965	19
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	432	3310	7.662	432	4380	10.14	8	101	12.30 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 810-359-3940Date: May 10, 2005
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 990 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Colorado-Utah Natural Gas, Inc.
WELL NAME & NUMBER: C-UNGI-14-21-23-1
API NUMBER: 43-019-31450
LOCATION: 1/4, 1/4 SESW Sec: 14 TWP: 21S RNG: 23E 872 FSL 2304 FWL

Geology/Ground Water:

A well drilled at this location will be spud into a poorly permeable soil developed on the Blue Gate Member of the Mancos Shale. The proposed cementing and casing program should protect any ground water resource encountered during drilling in this area. No underground water rights have been filed within a mile of the proposed location.

Reviewer: Christopher J. Kierst **Date:** 7/13/05

Surface:

The Federal Government is the owner of the surface rights at this location. The BLM is the administrative agency for permitting of surface use. The operator is responsible for obtaining any needed permits or rights of way before causing any surface disturbance.

Reviewer: Brad Hill **Date:** 07-12-05

Conditions of Approval/Application for Permit to Drill:



[State Online Services](#)

[Agency List](#)

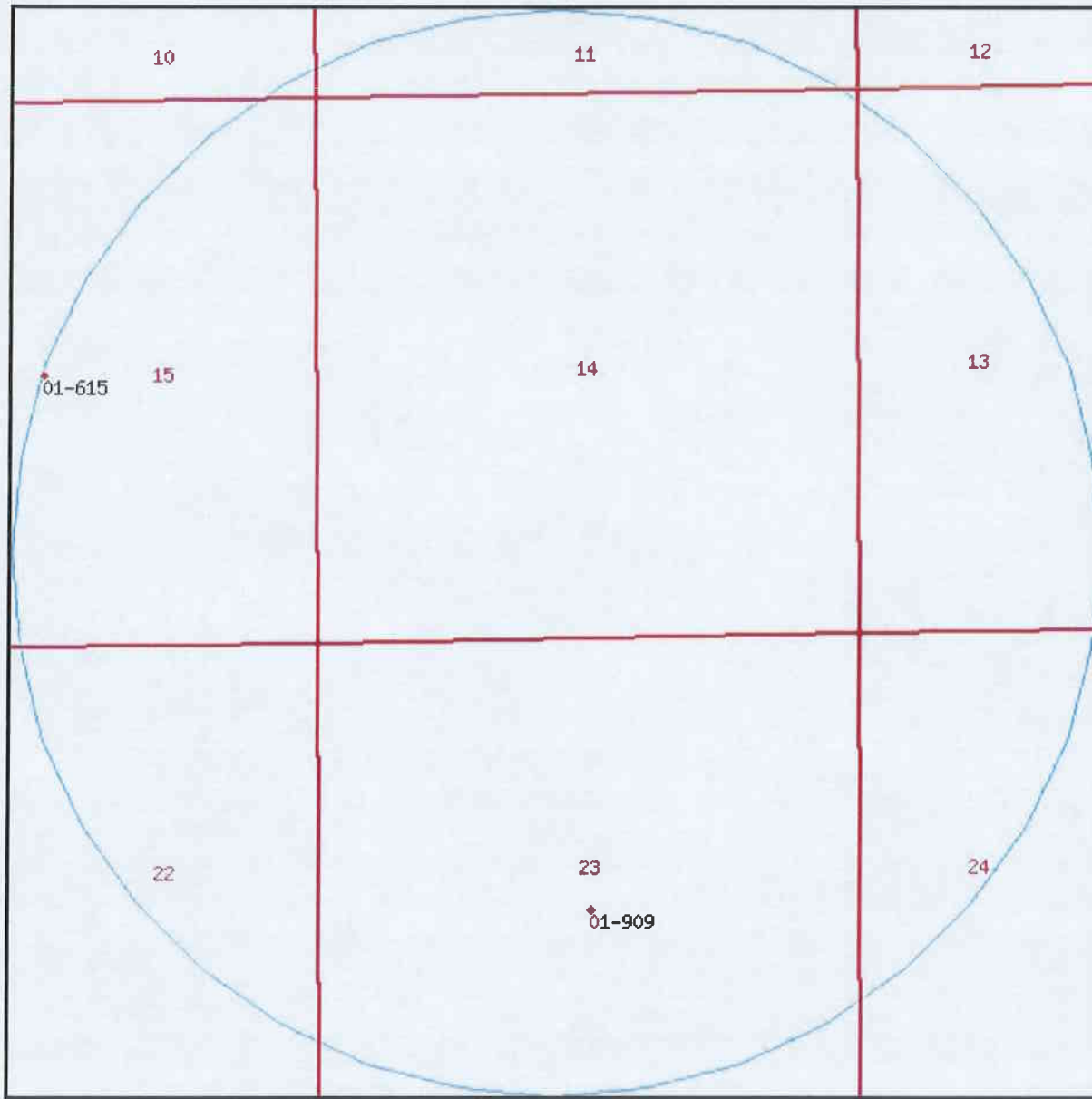
[Business.utah.gov](#)

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 07/13/2005 10:21 AM

Radius search of 5280 feet from a point N872 E2304 from the SW corner, section 14, Township 21S, Range 23E, SL
b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>01-615</u>	Point to Point		P	18790000	OS	0.000	0.000	MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT P.O. BOX 970
	0 0 15 21S 23E SL							
<u>01-909</u>	Point to Point		P	18790000	OS	0.015	0.000	MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT P.O. BOX 970
	0 0 23 21S 23E SL							

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Cisco Townsite Well cementing

Clint Devorshak Petroleum Engineer

Cementing procedure

Cement the long string with 73 sx Class C 600 feet from TD

Surface string:

120 feet surface 8 5/8 casing
cemented with 40 sx class G cement

Slurry yield 1.15 cu.ft/sx

API NUMBERS

<u>WELL NAME/NUMBER</u>	<u>API NUMBER</u>
✓ 1. 14-21-23-1	43-019-31450
2. 14-21-23-2	43-019-41451
3. 24-21-23-5	43-019-31417
4. 24-21-23-2A	43-019-31418
5. 24-21-23-4A	43-019-31419
6. 24-21-23-7	43-019-31420

OPERATOR NUMBER: N-2765

COLORADO-UTAH NATURAL GAS, INC.

RECEIVED
MAY 10 2005
DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532



RECEIVED

3160
(U-062)

MAY 27 2005

DIV. OF OIL, GAS & MINING

MAY 25 2005

Mr. Gil Hunt
Utah Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Hunt:

Colorado-Utah Natural Gas, Inc. has proposed to drill two oil and gas wells in section 14, T. 21 S., R. 23 E., near Cisco in Grand County. The wells would be drilled on federal surface and fee minerals. The Moab Field Office of the Bureau of Land Management (BLM) is the surface management agency responsible for the federal lands in section 14. We are unable to attend the on-site predrill inspection for the wells. Additional time will be required for our review of the restoration requirements and to establish a surface use agreement with the operator. If any additional information is needed, please contact Rich McClure at (435) 259-2127.

Sincerely,

Acting

Assistant Field Manager
Division of Resources

cc: Colorado-Utah Natural Gas, Inc.
140 West 9000 South, Suite 9
Sandy, Utah 84070



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532



RECEIVED

JUN 02 2005

DIV. OF OIL, GAS & MINING (UT-062) 2800

Mr. Dean Christensen
Colorado-Utah Natural Gas, Inc.
140 West 9000 South, Suite 9
Sandy, Utah 84070

MAY 31 2005

Dear Mr. Christensen:

We received your letter regarding the C-UNGI-14-21-23-1 and C-UNGI-14-21-23-2 Wells on April 22, 2005. The wells would be located on a fee mineral lease with federal surface in section 14, T. 21 S., R. 23 E.

The warranty deed for the property reserved rights of entry and rights of way to access the fee mineral lease. The Bureau of Land Management (BLM) has no intentions of denying access to the mineral lease.

The Utah Division of Oil, Gas and Mining regulations have provisions for surface use agreements, and a surface use agreement will be needed for the C-UNGI-14-21-23-1 and C-UNGI-14-21-23-2 Wells. In order to expedite the preparation of the agreement, we are requesting that you provide a surface use agreement that would meet your needs and provide us some assurance that the lands will be restored. If you need any additional information, please contact Rich McClure at (435) 259-2127.

Sincerely,

/s/ Eric Jones

Acting

Assistant Field Manager
Division of Resources

cc: Mr. Gil Hunt
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

JUN 08 2005

DIV. OF OIL, GAS & MINING
DIV. OF OIL, GAS & MINING

6 JUNE COLORADO-UTAH NATURAL GAS, INC.

140 WEST 9000 SOUTH, STE. 9

SANDY, UTAH 84070

Certified Letter No.: 7004 2510 0000 7767 7342

MOAB FIELD OFFICE

ATTN: MR. ERIC JONES

ACTING ASSISTANT FIELD OFFICE MANAGER

82 EAST DOGWOOD

MOAB, UTAH 84532

6 JUNE 2005

RE: LETTER DATED 31 MAY 2005

SURFACE USE AGREEMENT

MR. JONES:

COLORADO-UTAH NATURAL GAS HAS DELIVERED TO THE STATE OF UTAH TWO (2) SEPARATE RECLAMATION AND PLUGGING BONDS IN THE AMOUNT OF \$1,500.00 EACH.

WE HAVE ADDITIONALLY COMPLETED AN EXTENSIVE PHOTO ARRAY OF THE INDIVIDUAL SITES, THE ACCESS ROADS, THE PAD AREAS, AND THE LOCATION OF THE CENTRAL TANK BATTERY, ALL DEPICTED ON THE COPY OF THE APD'S SUBMITTED TO YOUR OFFICE AS WELL AS TO THE STATE OF UTAH, DIVISION OF OIL, GAS, AND MINING.

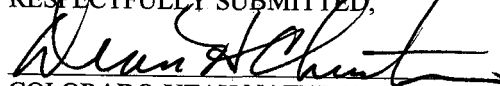
ADDITIONALLY, WE MET WITH MR. GILL HUNT, ON FRIDAY, 3 JUNE. PRESENT WERE MR. HUNT, MR. GARRY CARLSON, A LAND AND MINERAL TITLE EXPERT, AND MYSELF.

BASED UPON THE DEED MENTIONED IN YOUR LETTER, AS WELL AS THE IN PLACE BONDS, WE CONTEND THAT WE HAVE MET NOT ONLY THE SPIRIT OF THE LAW BUT OUR OBLIGATION TO INSURE A WELL SITE REHABILITATION OF THE HIGHEST STANDARD.

THEREFORE, AND UNLESS YOU HAVE UNSPOKEN PROBLEMS, WHICH ALL YOU NEED TO DO IS SEND IN WRITING, WE INTEND TO MOVE AHEAD WITH OUR PLANS TO DRILL.

I HAVE SENT YOU TWO COPIES OF THIS LETTER. PLEASE SIGN ONE OF THEM AND RETURN WITH YOUR ACCEPTANCE.

RESPECTFULLY SUBMITTED,



COLORADO-UTAH NATURAL GAS, INC.

BY: DEAN H. CHRISTENSEN, PRESIDENT

ACCEPT:

MOAB FIELD OFFICE, BLM

ACCEPT:

DIVISION OIL GAS & MINING

REJECT:

MOAB FIELD OFFICE, BLM

REJECT:

DIVISION OIL, GAS, AND MINING

cc: TERRY R. SPENCER, ESQ
GILL HUNT, DOGM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532



2800
(UT-062)

Mr. Dean Christensen
Colorado-Utah Natural Gas, Inc.
140 West 9000 South, Suite 9
Sandy, Utah 84070

JUN 23 2005

Dear Mr. Christensen:

We received your letter/surface use agreement for the C-UNGI-14-21-23-1 and C-UNGI-14-21-23-2 Wells on June 8, 2005. The surface use agreement stated that Colorado-Utah Natural Gas, INC. (C-UNGI) had deposited a \$1,500 bond for each well with the Utah Division of Oil, Gas and Mining (the Division) and that the bonds would ensure rehabilitation of the federal surface at the wells.

We have some concerns regarding the concept that the bond would ensure rehabilitation of the federal surface used for drilling and producing the wells. In the event that an operator abandons his operating responsibilities prior to plugging a well, and the Division has to assume the responsibility for plugging the well, a bond of \$1,500 would not be adequate for removal of surface facilities, plugging the well, and rehabilitation of the surface. In the past, you and/or CCCo have failed to accept responsibility for wells in section 14 with fee minerals and federal surface. The Division had to utilize public funds to plug two of the wells in 2004. Currently, there are at least two other wells (14-4 and 23-1 Wells) where you, and/or one of your former companies, failed to accept responsibilities for the wells. The rehabilitation of the 14-4 Well would require the removal of an oil production tank, hauling oil contaminated soils to a disposal site, and surface restoration of the well pad, tank battery, and roads. The costs for the rehabilitation of the 14-4 Well would exceed \$1,500.

As stated in our previous letter, we are requesting a surface use agreement that would provide us some assurance that the federal lands will be utilized in a workman like manner and restored when operations are completed. The surface use agreement should demonstrate the operator's commitment to conduct operations that would ensure the proper handling and disposition of production and protect environmental quality. The surface use agreement should provide specifications for construction, drilling, operation of production facilities, maintenance of the facilities, and timeframes for implementing the actions.

RECEIVED

JUN 2 / 2005

DIV. OF OIL, GAS & MINING

In consideration of these circumstances, we anticipate that the surface use agreement would need to contain specifications for control of runoff and drainage along roads and on well pads, road surfacing, preventing spills, clean-up of oil spilled on the ground, hauling oil contaminated soils to state approved disposal sites, provisions for keeping oil hydrocarbons off the fluids contained in pits, disposal of produced water, noxious weed control, and complying with all applicable Federal laws and regulations related to hazardous materials. If you need any additional information, please contact Rich McClure at (435) 259-2127.

Sincerely,

Isi A. Lynn Jackson

Acting Assistant Field Manager
Division of Resources

cc: **Mr. Gil Hunt**
State of Utah, Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RMcClure:mm:6/23/05

COLORADO-UTAH NATURAL GAS, INC.
140 WEST 9000 SOUTH, SUITE 9
SANDY, UTAH 84070

DIVISION OIL, GAS AND MINING
1499 WEST NORTH TEMPLE
SALT LAKE CITY, UTAH 84114

ATTN: MR. GILL HUNT
ASSOCIATE DIRECTOR

JULY 11, 2005

RE: CUNGI 14-21-23-14-2
CUNGI 14-21-23-14-3
LOCATIONS
SECTION 14, T21S, R23E
GRAND COUNTY, UTAH

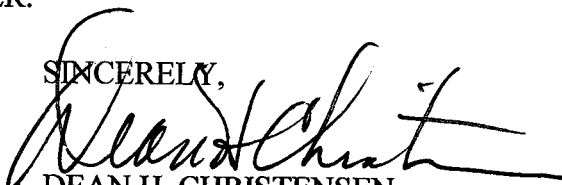
GENTLEMEN:

PLEASE FIND ATTACHED HERETO AN AFFIDAVIT PERTAINING TO OUR
INABILITY TO SECURE A SURFACE USE PLAN FROM THE MOAB FIELD OFFICE,
BUREAU OF LAND MANAGEMENT.

YOUR OFFICE ALSO HAS COPIES OF OTHER CORRESPONDENCE RELATED
TO THIS SITUATION.

THANK YOU FOR YOUR ASSISTANCE IN RESOLVING THIS MATTER, AS WE
HAVE COMMENCED DRILLING ON A LOCATION IMMEDIATELY SOUTH OF THOSE
REFERENCED ABOVE AND WOULD LIKE TO BE ABLE TO CONTINUE WITH OUR
PROGRAM IN AN ORDERLY MANNER.

SINCERELY,



DEAN H. CHRISTENSEN
PRESIDENT

CC: TERRY R. SPENCER, ESQ
MOAB FIELD OFFICE
MR. JOHN DeDONA, OIG - DEPARTMENT OF THE INTERIOR

RECEIVED
JUL 11 2005
DIV. OF OIL, GAS & MINING

I, Dean Christensen, President of Colorado-Utah Natural Gas, Inc., being first duly sworn,
do hereby depose and state as follows:

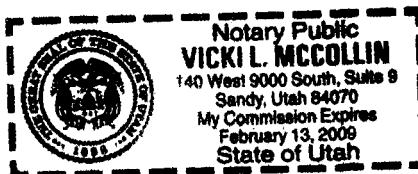
1. I am authorized to sign on behalf of the corporation pursuant to the Articles of Incorporation.

2. Colorado-Utah Natural Gas, Inc., has attempted to negotiate a Surface Use Agreement with the Bureau of Land Management. However, despite providing \$3,000.00 in bonds for any necessary repairs and/or restorations, those negotiations have been unsuccessful.

Dean Christensen

ON THE 11 day of July, 2005, personally appeared before me,
the undersigned notary, Dean Christensen, the signer of the foregoing AFFIDAVIT, who duly
acknowledged to me that he is authorized to sign this Affidavit on behalf of Colorado-Utah Natural
Gas, Inc., and that he signed the same voluntarily and for its stated purpose.

Vicki L. McCollin



Fax Transmission Cover

TO: MR. GILL HUNT
ASSOCIATE DIRECTOR
359-3940

(3 PAGES INCLUDING COVER)

FROM: COLORADO-UTAH NATURAL GAS, INC
DEAN H. CHRISTENSEN
801-554-2021

RECEIVED
SEP 19 2005
DIV. OF OIL, GAS & MINING

MR. HUNT:

ATTACHED HERETO PLEASE FIND A COPY OF A CERTIFIED WARRANTY DEED FOR THE ACREAGE TO BE DRILLED IN SECTION 14, T21S, R23E (14-21-23-1 #43-019-31450 AND 14-21-23-2 #43-019-41451).

THIS WARRANTY DEED ISSUED BY THE FEDERAL GOV'T NEEDS ABSOLUTELY NO MODIFICATION OF LOSS OF OUR RIGHTS AS SET FORTH WITHIN THE BODY OF THE WARRANTY DEED.

THE STATE HAS THE LEGAL RIGHT TO ISSUE THE PERMITS AS THIS IS A FEE LEASE AND ALL PERTINENT AND REQUIRED BONDING IS IN PLACE.

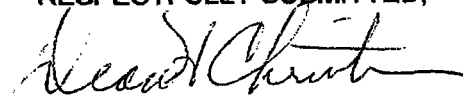
ADDITIONALLY IF YOU READ THE DEMANDED SURFACE USE AGREEMENT IT IS READILY NOTICEABLE THAT THE BLM IS ONLY ATTEMPTING TO FURTHER REGULATE WHERE THEY HAVE ABSOLUTELY NO RIGHT, AND DEMANDING SUPERFLUOUS AND UNNECESSARY REQUIREMENTS, AS THE CURRENT AGREEMENT PROTECTS THE BLM FOR ANY DAMAGES INCURRED AND SETS FORTH THAT REASONABLE COMPENSATION BE MADE FOR DAMAGES.

THE AGREEMENT IS CLEARLY SET FORTH WITHIN THE "FOUR CORNERS" AND ANY CHANGES WITHOUT "COMPENSATION" FROM THE GOV'T IS NOT ACCEPTABLE. THE RIGHT TO DRILL IS NOT COMPENSATION

AS YOU ARE AWARE, MR. SPENCER, OUR LEGAL COUNSEL, WAS ONCE THE CHAIRMAN OF THE NATURAL RESOURCES COMMITTEE IN THE UTAH SENATE. IF THIS IS NOT IMMEDIATELY RESOLVED I AM GOING TO PETITION FOR AN AUDIENCE WITH GOV. HUNTSMAN, AS THIS CLEARLY AN ABUSE BY THE FEDERAL GOVERNMENT AND AN ATTEMPT TO RETARD NATURAL RESOURCE DEVELOPMENT HERE IN UTAH.

THIS DEMAND FOR IMMEDIATE ACTION IS FURTHER EXACERBATED BY PENDING STANDBY CHARGES (\$3,750/DAY) FOR OUR DRILLING RIG, WHICH WAS VERY TOUGH TO OBTAIN IN THE CURRENT MARKET. WE ARE ON A ROLL RIGHT NOW AND DON'T WANT BE SHUT DOWN FOR FRIVOLOUS AND UNNECESSARY REASONS.

RESPECTFULLY SUBMITTED,



WARRANTY DEED

JOHN W. DALTON and MARY DALTON, husband and wife, Grantors, of Cisco, Grand county, Utah, hereby convey and warrant to the UNITED STATES OF AMERICA, Grantee, for and in consideration of the exchange of certain lands, as authorized by section 8 of the Act of June 26, 1934 (48 Stat. 1269), as amended by Section 3 of the Act of June 26, 1936 (49 Stat. 1976), the following described tracts of land in Grand county, Utah, to-wit:

Lots 1, 5, 8, 9 and 10 of Section 16, SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9; Lots 1 and 2 and the NE $\frac{1}{4}$ of Lots 7 and 8 of Section 2; all in Township 22 South, Range 16 East, S.L.M.

S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 35, Township 21 South, Range 16 East, S.L.M.

NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ and S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 14; SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15; NE $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23; NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 13; all in Township 21 South, Range 23 East, SLM.

E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, all of Section 25, Township 25 South, Range 23 East, S.L.M.

Together with all improvements and water rights thereto belonging.

RESERVING AND EXCEPTING in favor of the Grantors, their heirs or assigns, the exclusive right to all gas, oil, petroleum, coal oil, naphtha, coal and other hydro-carbon substances and all kindred substances, and all minerals of whatsoever kind or nature in, upon or beneath the above described land, together with rights of entry and rights of way for the purpose of prospecting, searching, exploring, mining, digging and boring for all or any of the above mentioned gas, oils, substances, or minerals. Grantors agree to pay to Grantee, its successors or assigns, reasonable compensation for any damages to the surface rights in above property actually sustained by the Grantee b. reason of Grantors' operation of said land in connection with the rights herein reserved.

WITNESS the hands of said Grantors this 14th day of May, 1948.

State of Utah,)
County of Grand,) ss.

/s/ John W. Dalton
Mary Dalton

STATE OF UTAH
COUNTY OF GRAND

I, Marlene Mosher, Recorder in and for the county of Grand, State of Utah, do hereby certify that the foregoing is a full, true and correct copy of the original as it appears of record in my office. Book 13-F Pages 155-156 Entry No. 749310 In Witness Hereof I have hereunto set my hand and affixed my seal this 15 day of Sept 20 05

(Seal)
My commission expires: 12-26-50
Documentary Stamps attached: \$1.65

/s/ Mitchell Melich
Notary Public. Residing at Moab

Marlene Mosher, County Recorder
By *Marlene Mosher*

Filed and Recorded May 26, 1948 at 11:00 A.M.
Abstracted Book 2 2 5 3 3 3 2 5

Emma M. Dalton, Recorder by *Emma M. Dalton*

RECEIVED
SEP 19 2005
DIV OF OIL, GAS & MINING

P.2

801-262-1429

Dean Christensen

Sep 19 05 09:14a

Finally, BLM employees may be held accountable!

On January 21, Karen Budd-Falen sent an email rocketing around cyberspace with the following message:

Because of the extreme importance of this court ruling to ensuring accountability of federal employees, I have sent this e-mail to everyone on my list with even a passing interest. Please widely distribute.

On January 20, 2004, Wyoming Federal District Judge Clarence Brimmer ruled that the Bureau of Land Management (BLM) employees individually sued by Frank Robbins for violating his constitutional rights, unlawful retaliation, and attempted extortion by the wrongful use of fear or under color of official right were NOT protected by the qualified immunity of their BLM employment and that the BLM employees would have to stand trial, by jury. Robbins' suit (Robbins v. Wilkie et al.) named several current and past BLM employees under the Racketeering, Influenced & Corrupt Organizations Act ("RICO") and "Bivens." According to Robbins, the named employees used the power of their federal employment to attempt to acquire an easement across Robbins' private property. Because he refused their demand, the employees set out to destroy him to accomplish their goals.

The last major hurdle for Frank Robbins before getting before a jury was the BLM employees' motion for summary judgment, based upon qualified immunity. The Defendants claimed that, because they acted while they were employed

by the BLM, they were protected from individual liability. However, the Court agreed with Frank Robbins and rejected that blanket immunity argument. According to the Court, "qualified immunity protects federal officials from individual liability unless the officials violated a clearly established constitutional or statutory right of which a reasonable person would have known."

Although the Court noted that Mr. Robbins had a "heavy burden" in proving his claims, the Court agreed that Mr. Robbins presented factual evidence that reasonable BLM employees would have known that they were violating Mr. Robbins' rights with their actions. The Court cited to the 248 exhibits attached to Mr. Robbins' brief and stated: "Plaintiff [Mr. Robbins] provides a significant amount of evidence which would lead a jury to conclude that Defendants did intend and agreed to extort and punish Plaintiff."

In its footnote, the Court went on: "Plaintiff has submitted evidence of Defendants' alleged motive and intent, threats, lies, trespass, disparate treatment, and harassment in the form of various depositions, including a deposition of a former BLM employee Ed Parodi, various letters, criminal trial transcripts, and trespass notices." Although each BLM employee affirmatively denied that he or she "did not conspire or agree with anyone at any time for any purpose with regards to Plaintiff, particularly to commit any alleged predicate acts of extortion or retaliation," the Court "will not solely rely upon the statements of

the individual employees. This case will go to a jury."

Should you have any questions, please contact me (Karen Budd-Falen, PO Box 346, Cheyenne, WY 82003; 307-632-5105). Feel free to distribute this information widely. We will publish the trial date when it is assigned. This is a GREAT victory!

RECEIVED
SEP 19 2005

DEPT. OF OIL, GAS & MINING



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 23, 2005

Colorado-Utah Natural Gas, Inc.
140 West 9000 South, Suite 9
Sandy, UT 84070

Re: C-UNGI 14-21-23-1 Well, 872' FSL, 2304' FWL, SE SW, Sec. 14,
T. 21 South, R. 23 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31450.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Grand County Assessor

Operator: Colorado-Utah Natural Gas, Inc.
Well Name & Number C-UNGI 14-21-23-1
API Number: 43-019-31450
Lease: Fee

Location: SE SW Sec. 14 T. 21 South R. 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Cement volumes for the 8 5/8" surface casing and 4 1/2" production casing strings shall be determined from actual hole diameters in order to place cement from the pipe setting depths back to the surface.

6. Operator shall meet the site restoration requirements of the surface management agency (Bureau Of Land Management) in accordance with General Rule R649-3-34.2 (Well Site Restoration).



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:

3160

(UT-922)

43-019-31450
215 23E 14

OCT 21 2005

Dean H. Christensen
4880 South Fountains Drive, Unit 139
Murray, Utah 84170

Dear Mr. Christensen,

I am writing you in response to your letters of September 21, 2005 to the Secretary of the Interior and the Director of the Bureau of Land Management (BLM). The BLM and the Department of the Interior (DOI) Office of the Solicitor have reviewed the warranty deed referenced in your letters. The letters complain about the efforts of the BLM Moab Field Office to negotiate a surface use agreement with you so that you could proceed with your plans to develop mineral resource that you own on land where BLM is the surface owner.

Since receiving your letters, I have been informed that the State of Utah has approved your Application for Permit to Drill (APD), even in the absence of a surface use agreement with the BLM. We will accept the State of Utah required well site restoration as compensation called for in the warranty deed. The issues you raised in your letters are therefore moot.

Lest there be any misunderstanding, I would just state in closing that the Department of the Interior does not agree with the charges and accusations that you make in your letters.

Sincerely,

ACTING

State Director

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED

OCT 27 2005

DIV. OF OIL, GAS & MINING

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: COLORADO-UTAH NATURAL GAS

Well Name: C-UNGI 14-21-23-1

Api No: 43-019-31450 Lease Type: FEE

Section 14 Township 21S Range 23E County GRAND

Drilling Contractor PROPETCO RIG #

SPUDDED:

Date 11/22/05

Time 1:00 PM

How DRY

Drilling will Commence:

Reported by DEAN CHRISTENSEN

Telephone # 1-801-554-2021

Date 11/22/2005 Signed CHD

DEC 30 2005

ENTITY ACTION FORM

DIV. OF OIL, GAS & MINING

Operator: Colorado-Utah Natural Gas, Inc Operator Account Number: 2765
Address: 300 West 9000 So
Suite 9
Sandy, UT 84070 Phone Number: 801-554-2021

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-31451	14-21-23-1	SESW	14	21S	23E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	15121	11/22/05	1/5/06		
Comments: <u>SLTW</u> - <u>K</u>						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-31451	14-21-23-2	SESW	14	21S	23E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments: <u>Duplicate - Original processed 10/27/05</u>						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-30423	14-4	SESW	14	21S	23E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments: <u>well reworked - This is not an operator change</u>						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

DEAN A. CHRISTENSEN
Name (Please Print)
Dean Christensen
Signature
President
Title
12-30-05
Date

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Coloado-Utah Naural Gas Inc Today's Date: 02/01/2006

Well:	API Number:	Drilling Commenced:
C-UNGI 14-21-23-1 Drilling reports missing since spud SWEETHEART 2A	43019 ³ 1450	11/22/2005
Drilling reports missing since spud SWEETHEART 14-02	4301931418	07/11/2005
Drilling reports missing since spud	4301931451	10/19/2005

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: 
Compliance File

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
OIL AND GAS PROGRAM

PHONE CONVERSATION DOCUMENTATION FORM

Conversation Pertains to:

☐ Copy? ☐

☒ WELL C-UNGI 14-21-23-1

☐ OTHER

Section 14 Township 210S Range 230E

API Number 43-019-31450

Topic of Conversation: DRILLING REPORTS NOT SENT IN

In person visit

Date of Phone Call: 1/4/2006

Time: 11:15 am

DOGM Employee (name): CAROL H DANIELS

In person visit

☐ Initiated Call? ☒

Spoke with:

Name: DEAN CHRISTENSEN

☐ Initiated Call? ☐

Of (company/organization): COLORADO-UTAH NATURAL GAS Phone: _____

Highlights of Conversation:

DEAN CHRISTENSEN CAME INTO OUR OFFICE (DIVISION OF OIL, GAS AND MINING) AND I SPOKE TO HIM IN PERSON, AS HE CANNOT BE REACHED BY TELEPHONE). I REMINDED HIM THAT WE NEEDED MONTHLY DRILLING REPORTS. DEAN SAID HE WAS GOING TO TALK TO THE DRILLER AND HAVE HIM GET THE DRILLING REPORTS TO HIM AND WOULD SEND THEM IN TO ME.

1/6/2006 @ 11:00 AM DEAN CHRISTENSEN WAS IN OUR OFFICE AGAIN. I ASKED HIM WHERE THE DRILLING REPORTS WERE. DEAN INDICATED HE HAD TALKED TO THE DRILLER AND HE IS SUPPOSED TO GET THE DRILLING REPORTS TO HIM.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE LEASE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

14-21-23-1 **C-UNGI**

9. API NUMBER:

4301931450

10. FIELD AND POOL, OR WILDCAT:

CISCO

1. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

2. NAME OF OPERATOR:

COLORADO UTAH NATURAL GAS, INC.

3. ADDRESS OF OPERATOR:

140 W 9000 SOUTH CITY SANDY STATE UT ZIP 84017

PHONE NUMBER:

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2304 FWL 872 FSL

COUNTY: GRAND

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW ¹⁴ 24 21S 23E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)
Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)
Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well was perforated January 13, 2006 945-1007 Morrison Zone.

Well has not been tested waiting on completion unit to run tubing and rods

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE

DATE 11/6/2006

(This space for State use only)

RECEIVED

NOV 13 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

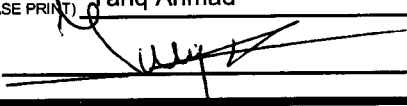
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE LEASE
2. NAME OF OPERATOR: Colorado Utah Natural Gas, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 137 Vassar Street #5 CITY Reno STATE NV ZIP 89502		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 240-0769		8. WELL NAME and NUMBER: 14-21-23-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2304 FWL 872 FSL		9. API NUMBER: 4301931450
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 24 21S 23E S		10. FIELD AND POOL, OR WILDCAT: Greater Cisco
COUNTY: GRAND		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Waiting on Completion Unit

NAME (PLEASE PRINT) Tariq Ahmad	TITLE Petroleum Engineer
SIGNATURE 	DATE 2/5/2007

(This space for State use only)

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FEB 13 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
COLORADO UTAH NATURAL GAS, INC.

3. ADDRESS OF OPERATOR:
137 Vassar Street #5 CITY Reno STATE NV ZIP 89502

PHONE NUMBER:
(775) 240-0769

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2304 FWL 872 FSL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 24 21S 23E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE LEASE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
14-01

9. API NUMBER:
4301931450

10. FIELD AND POOL, OR WILDCAT:
Greater Cisco

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change well name to 14-01

Well is not completed yet, it is waiting on completion unit.

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE

DATE 3/8/2007

(This space for State use only)

RECEIVED

MAR 12 2007

DIV. OF OIL, GAS & MINING

DAILY DRILLING REPORT

14-21-23-1
API 4301932450
Section 14 21S 23E
Grand County, Utah

11/22/05 Rig up. Set conductor pipe. Pick up hammer drill 122 feet of 11 inch hole with air. Dig reserve pit. Rig up 122 feet of J55 23#/ft casing. RIH with casing. Cir green cement out of hole.

11/23/05 Dig blew pit. Cut of casing. Weld on Wellhead. Test BOP to 1000 psi. Drill 6 ½ in hole with air. DB at 622 feet sdfn.

11/24/05 Drilling 6 ½ inch hole TD at 1005 feet. PBTD at 990 feet.

11/25/05 RIH with 4 ½ inch J-55 9.5#/ft casing. Cement casing to 700 feet. Rig down. WOCU.

RECEIVED
APR 30 2007
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DKD

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

2/26/2007

FROM: (Old Operator): N2765-Colorado-Utah Natural Gas Inc 9000 S, Suite Sandy, UT 84070 Phone: 1 (801) 554-2021	TO: (New Operator): N7655-Pacific Energy & Mining 137 Vassar St, Suite 5 Reno, NV 89502 Phone: 1 (775) 852-7444
--	---

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/9/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/9/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/12/2007
- 4a. Is the new operator registered in the State of Utah: _____ Business Number: 5977241-0143
- 4b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/27/2007
- Bond information entered in RBDMS on: 9/27/2007
- Fee/State wells attached to bond in RBDMS on: 9/27/2007
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: _____
- Indian well(s) covered by Bond Number: _____
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 763751318
and 3344341
- 3b. The **FORMER** operator has requested a release of liability from their bond on: *
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 2/20/2008

COMMENTS: *Colorado-Utah's CDs were rolled by the bank to Pacific Energy's CDs

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Pacific Energy & Mining Company <i>N7655</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 137 Vassar Street #5 CITY Reno STATE NV ZIP 89502		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: See below
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		10. FIELD AND POOL, OR WILDCAT:
COUNTY: Grand		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of operator for the following wells:

30423 effective 2/26/07

1- Nugget 14-4	API No. 430190423	Section 14 21S 23E Grand County, Utah	= BOND 76385/1300
2- Whyte Stae 2	API No 4301916263	Section 24 21S 23E Grand County, Utah	
3- Sweetheart 5A	API No 4301931417	Section 24 21S 23E Grand County, Utah	
4- Sweetheart 2A	API No 4301931418	Section 24 21S 23E Grand County, Utah	
5- Sweetheart 7	API No 4310931420	Section 24 21S 23E Grand County, Utah	
6- Sweetheart 14-02	API No 4301931451	Section 14 21S 23E Grand County, Utah	
7- C-UNCI 14-21-23-1	API No 4301931450	Section 14 21S 23E Grand County, Utah	
8- LITTLE BOY 2	API No 4310931460	Section 24 21S 23E Grand County, Utah	

Bond 76385/292

NAME IS 14-01

4301931460

Colbasso-Utah Natural Gas, Inc N2765

By: Dean Chitt

(*)authorized 9/27/07 by DHC and TA

9- LITTLE BOY 1 API NO 43-019-31459 SECTION 24 21 S 23E GRAND COUNTY, UTAH(*)

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Vice President</u>
SIGNATURE <u><i>Tariq Ahmad</i></u>	DATE <u>2/26/2007</u>

(This space for State use only)

APPROVED 9/27/07

Earlene Russell

(5/2000)

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

MAR 09 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
Colorado Utah Natural Gas, Inc

3. ADDRESS OF OPERATOR:
137 Vassar Street #5 CITY Reno STATE NV ZIP 89502

PHONE NUMBER:
(775) 240-0769

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2304 FWL 872 FSL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 24 21S 23E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee Lease

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

14-01

9. API NUMBER:

4301931450

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Waiting on Completion Unit

Well will be placed on production after testing
to Morrison formation at 990 feet

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE

DATE 5/21/2007

(This space for State use only)

RECEIVED

MAY 24 2007

Utah Division of Oil, Gas and Mining

DRILLING OPERATIONS SUSPENDED

NOTICE TO OPERATORS:

Operator's responsibility is to provide a monthly status report for each well in "Drilling Operations Suspended" status in accordance with Rule R649-3-6.2.4, which states:

The operator shall submit a monthly status report for each drilling well on Form 9, Sundry Notices and Reports on Wells. The report should include the well depth and a description of the operations conducted on the well during the month. The report shall be submitted no later than the fifth day of the following calendar month until such time as the well is completed and the well completion report is filed.

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining and may result in the Division pursuing enforcement action as outlined in Rule R649-10. Administrative Procedures and Section 40-6-11 of the Utah Code.

As of this mailing of this notice, the division has not received the required reports for:

Operator: PACIFIC ENERGY & MINING COMPANY Today's Date: 01/10/2008

Well	API Number	Last Report Received
14-01 T21S R23E Sec 14	4301931450	05/24/2007

To avoid compliance action, required reports should be mailed within 7 business days to:

**Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P O Box 145801
Salt Lake City, Utah 84114-5801**

If you have questions or concerns regarding this matter, please call (801) 538-5284.

**cc Well File
Compliance File**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED

JAN 17 2008

FORM 9

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE LEASE
2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO 18148 CITY RENO STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER:		8. WELL NAME and NUMBER: 14-01
10. FIELD AND POOL, OR WILDCAT: GREATER CISCO		9. API NUMBER: 4301931450

4. LOCATION OF WELL

FOOTAGES AT SURFACE: _____ COUNTY: **GRAND**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **14 21S 23E S** STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: SUBSEQUENT REPORT
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DUE TO WEATHER CONDITIONS THE WELL HAS NOT YET BEEN TESTED. WILL PERFORATE AND TEST THE WELL AS WEATHER PERMITS

NAME (PLEASE PRINT) **TARIQ AHMAD** TITLE **PETROLEUM ENGINEER**

SIGNATURE  DATE **1/14/2007**

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☒ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE LEASE
b. TYPE OF WORK: NEW <input type="checkbox"/> HORIZ. <input type="checkbox"/> DEEP- <input type="checkbox"/> RE- <input type="checkbox"/> DIFF. <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: PACIFIC ENERGY & MINING COMPANY		7. UNIT or CA AGREEMENT NAME
3. ADDRESS OF OPERATOR: PO BOX 18148 CITY Reno STATE NV ZIP 89511		8. WELL NAME and NUMBER: 14-01
4. LOCATION OF WELL (FOOTAGES) 872 fsl 2304 fwl		9. API NUMBER: 43-019 31450
10. FIELD AND POOL, OR WILDCAT CISCO		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 14 21S 23E S
12. COUNTY GRAND		13. STATE UTAH
14. DATE SPUDDED: 11/22/2005	15. DATE T.D. REACHED: 11/25/2005	16. DATE COMPLETED: 1/13/2006
17. ELEVATIONS (DF, RKB, RT, GL): 4359 KB		18. TOTAL DEPTH: MD 984 TVD 984
19. PLUG BACK T.D.: MD TVD		20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE MD PLUG SET: TVD		22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL
23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)		

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12	8 5/8 J55	23	0	122		G 50	50	SURFACE	
6 1/4	4 1/2 J55	9.5	0	984		G 50	50	700	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) MORRISON	945	1,007	945		948 956	.38	16	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

- ☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

SHUT IN

DIV. OF OIL, GAS & MINING

30. WELL STATUS:

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/15/07	TEST DATE: 1/15/07	HOURS TESTED: 10	TEST PRODUCTION RATES: →	OIL – BBL: 4	GAS – MCF: 3	WATER – BBL: 0	PROD. METHOD: Flow
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
DAKOTA SILT	425	430	FINE GRAIN SILT, FLOWED GAS LOW PRESSURE 20 PSI SURFACE		
DAKOTA SAND	510	530	CLEAN DAKOTA SAND GAS FLOW		
MORRISON	820	830	CLEAN BEACH SAND WITH OIL SHOWS		
MORRISON	945	1,007	CLEAN SAND SLIGHT OIL SHOW		

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) TARIQ AHMAD

TITLE PETROLEUM ENGINEER

SIGNATURE

DATE 11/15/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 3, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6190

Mr. Tariq Ahmad
Pacific Energy & Mining Company
137 Vassar St. Suite #5
Reno, NV 89502

43 019 31450
14-01
21S 23E 14

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Ahmad:

As of July 2008, Pacific Energy & Mining Company has Five (5) State Mineral Lease Wells and three (3) Fee Lease Wells (see attachment A) in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

With the exception of the Sweetheart 14-02 (API # 43-019-31451), the Sweetheart 2A (API # 43-019-31418) and the Little Boy 1 (API # 43-019-31459), a Notice of Violation (NOV) was issued for the wells listed on Attachment A. That NOV dated December 14, 2007 required the wells to be put into production, or plugged or get approval with good cause for extended SI/TA. The latter required an MIT and full cost bonding. To date, nothing has been done to bring these wells into full compliance. This is a reminder for these wells that a response is far past due and immediate action is necessary. Also the three wells not currently under the NOV require plans to produce or plug submitted immediately or further actions will be initiated.



Page 2
September 3, 2008
Mr. Ahmad

For extended SI/TA consideration the operator shall provide the Division with the following:

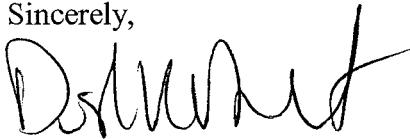
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Wells File
Compliance File

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	Whyte-State 2	43-019-16263	ML-48933	46 Years 2 Months
2	Sweetheart 7	43-019-31420	ML-48933	2 Years 10 Months
3	Little Boy 1	43-019-31459	ML-48933	2 Years 6 Months
4	Little Boy 2	43-019-31460	ML-48933	2 Years 6 Months
5	Sweetheart 2A	43-019-31418	ML-48933	2 Years 9 Months
6	Petro-X 23-1	43-019-30558	Fee	28 Years 9 Months
7	14-01	43-019-31450	Fee	2 Years 6 Months
8	Sweetheart 14-02	43-019-31451	Fee	1 Year 7 Months

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8

(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE LEASE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:

14-01

9. API NUMBER:

4301931450

10 FIELD AND POOL, OR WILDCAT

CISCO

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

SESW 14 21S 23E S

12. COUNTY

GRAND

13. STATE

UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL:

OIL WELL ☒

GAS WELL ☐

DRY ☐

OTHER *Reperf*

b. TYPE OF WORK:

NEW ☐

HORIZ. ☐

DEEP- ☐

RE- ☐

DIFF. ☐

2. NAME OF OPERATOR:

PACIFIC ENERGY & MINING CO.

3. ADDRESS OF OPERATOR:

PO BOX 18148

CITY RENO

STATE NV

ZIP 89511

PHONE NUMBER:

(775) 852-7444

4. LOCATION OF WELL (FOOTAGES)

872 FSL 2304 FWL

AT TOP PRODUCING INTERVAL REPORTED BELOW: 872 FSL 2304 FWL

AT TOTAL DEPTH:

14. DATE SPUDDED:

11/22/2005

15. DATE T.D. REACHED:

11/25/2005

16. DATE COMPLETED:

1/13/2006

ABANDONED ☐

READY TO PRODUCE ☒

17. ELEVATIONS (DF, RKB, RT, GL):

4359 KB

18. TOTAL DEPTH: MD

984

19. PLUG BACK T.D.: MD

TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD

PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

CBL

23.

WAS WELL CORED?

NO ☒

YES ☐

(Submit analysis)

WAS DST RUN?

NO ☒

YES ☐

(Submit report)

DIRECTIONAL SURVEY?

NO ☒

YES ☐

(Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12	8 5/8 J55	23	0	122		G 50	50	SURFACE	
6 1/4	4 1/2 J55	9.5	0	984		F 50	50	700	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) MORRISON	938	950	938	950	938 956	2FT	16	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) MORRISON	824	828	824	828	824 828	4	8	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS

☐ GEOLOGIC REPORT

☐ DST REPORT

☐ DIRECTIONAL SURVEY

☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION

☐ CORE ANALYSIS

☐ OTHER:

30. WELL STATUS:

SI

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SEP 23 2008

DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION
INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/15/2007	TEST DATE: 1/15/2007	HOURS TESTED: 10	TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 3	WATER – BBL: 0	PROD. METHOD: FLOW
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)
33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
DAKOTA SILT	425	430	FINE GRAIN SILT, FLOWED GAS		
DAKOTA SAND	510	530	LOW PRESSURE 20 PSIE SURFACE		
MORRISON	820	830	CLEAN DAKOTA SAND GAS FLOW		
MORRISON	945	1,007	CLEAN BEACH SAND WITH OIL SHO		
			CLEAN SAND SLIGHT OIL SHOW		

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) TARIQ AHMAD

TITLE PETROLEUM ENGINEER

SIGNATURE 

DATE 9/19/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

APPENDIX TO RECOMPLETION REPORT

WELL IS AWAITING PRODUCTION EQUIPMENT. WILL INSTALL 2 3/8 INCH TUBING AND SWAB TEST THE PERFORATED ZONE

White	Original
Green	Accounting
Gold	Station Copy
Pink	Invoicing Copy
Canary	Customer Copy



(970) 245-9828

21626

- *P.O. Box 3045*
Grand Junction, CO 81502

• 2144 Hwy. 6 & 50
Grand Junction, CO 81505

TERMS: NET 30 DAYS

CUSTOMER ORDER # _____

CONDITIONS OF THIS CONTRACT

whereby requested to furnish the service and materials and equipment herein set forth upon the following terms and conditions, to-wit:
 1. Undersigned, as customer, agrees to pay you for the service and/or materials ordered hereunder at the office of RMWS. Should any account not be paid within the term fixed by the invoice, interest will be charged at the rate of 18 percent
 2. Minimum from the date of such invoice.
 3. In the event you employ an attorney to enforce any claim of indebtedness against the undersigned customer, said customer agrees to pay all cost of collection and reasonable attorney's fees which, in no event, shall be less than the sum of \$75.00
 4. In case of the uncertain and unknown conditions and the hazards existing in connection with the rendering of your field service, and because of physical conditions existing in an oil well which are not subject to your control, customer agrees
 5. To do not guarantee the results of your service, and that you will not be held liable for injury to persons or property arising from any cause whatsoever in the performance of such field service by you,
 6. Should any of your instruments, tools, or equipment be lost or destroyed in the rendering of your service, customer agrees to use all reasonable diligence and facilities available to recover the same, and customer agrees to reimburse you for the
 7. Reasonable value of any instruments, tools, or other personal property that cannot be recovered within 60 days, or for the cost of repairing any damage to items recovered.
 8. Customer agrees that all depth measurements shall be made by it or its employees, and shall be supervised by customer or its employees.
 9. Customer certifies that it is the owner of the well on which the work herein ordered is to be done, or that it has the full right and authority to order such work done on such wells, and that the well in which the work is to be done by you is in proper
 10. Suitable condition for the performance of said work.
 11. Customer further agrees that the terms and conditions herein set forth constitute the entire agreement and that no employee of your company is authorized to alter the terms hereof.
 12. RECEIVED THE BELOW SERVICES ACCORDING TO THE TERMS AND CONDITIONS AS SHOWN ABOVE WHICH WE HAVE READ AND WHICH WE HEREBY AGREE.

DATE _____ COMPANY _____ AGENT X James H. [Signature]

[illegible]

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: SEE BELOW
2. NAME OF OPERATOR: Pacific Energy & Mining Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: SEE BELOW 14-01
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: Grand		9. API NUMBER: SEE BELOW 43019 31450
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 24S 23E 14 STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Greater Cisco

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Information on shipping gas.
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The following is a listing of the concerned wells:

S.N.	WELL NAME	API	Lease Type
1	Whyte-State 2	43-019-16263	ML-48933
2	Sweetheart 7	43-019-31420	ML-48933
3	Little Boy 1	43-019-31459	ML-48933
4	Little Boy 2	43-019-31460	ML-48933
5	Sweetheart 2A	43-019-31418	ML-48933
6	Petro-X-23-1	43-019-30558	Fee
7	14-01	43-019-31450	Fee
8	Sweetheart 14-02	43-019-31451	Fee

At present, Pride Ventures has refused access for shipping our produced natural gas to Elk Resources; thus we can't ship the said gas until the matter is resolved. We will pursue and try to resolve this matter expeditiously. In the interim, we are trying to sell our produced gas locally.

***Please see attached email from Elk Resources, Inc.

NAME (PLEASE PRINT) Tarig Ahmad	TITLE Petroleum Engineer
SIGNATURE 	DATE 9/23/2008

(This space for State use only)

RECEIVED
SEP 25 2008
DIV. OF OIL, GAS & MINING

**RE: Cisco Meter**

Tuesday, September 23, 20

From: "Tom Young" <tyoung@elkresources.net>**To:** taroil@yahoo.com

Tariq,

Since your gas is transported into and thru Woosley's line and compressor, I visited with Jim yesterday and he w that he is unwilling to continue to allow you to do this. Apparently for the last few years he has allowed this but it to problems such as high nitrogen, probably air, in your gas shutting down his compressor to mention one. He al mentioned volumes were very small and flow seldom lasted more than a week or so. The only option that I can s you to get a ROW and lay a line to connect directly into us.

Tom C. Young
VP Southern Operations & Midstream
Elk Resources, Inc.
1401 17th Street, Suite 700
Denver, CO 80202
(303) 296-4505 - Main
(303) 339-1917 - Fax
tyoung@elkresources.net

From: [taroil \[mailto:taroil@yahoo.com\]](mailto:taroil@yahoo.com)
Sent: Monday, September 22, 2008 3:49 PM
To: Tom Young
Subject: Cisco Meter

Dear Tom:

Were you able to get the charts changed

Tariq I. Ahmad PE
PO Box 18148
Reno, Nevada 89511

775 333-6626 office
775 333-0225 fax
775 240-0769 cell
taroil@yahoo.com

E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message

RECEIVED
SEP 25 2008
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

January 29, 2009

CERTIFIED MAIL NO. 7004 2510 0004 1824 6664

Mr. Tariq Ahmad
Pacific Energy & Mining Company
3550 Barron Way, Ste 13A
Reno, NV 89511-1852

43 019 31450
A-01
21S 23E 14

Subject: Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Ahmad:

As of January 2009, Pacific Energy & Mining Co. ("Pacific") has five (5) State Mineral Lease Wells and three (3) Fee Lease wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

Pacific was sent a first notice of Extended Shut-in and Temporarily Abandoned ("SI/TA") requirements certified mail on September 3, 2008, in regards to the above referenced wells. The Division received your sundries dated September 23, 2008, (received by the Division on 9/25/2008). It was stated in the sundries that the wells would be "placed in production in [the] next 14 days." More than sufficient time has passed and still no evidence has shown this has been fulfilled.

Due to insufficient evidence the Division is unable to grant extended SI/TA status for the listed wells. Please submit specific lengths of time that the wells are expected to be shut-in or temporarily abandoned along with evidence showing well integrity. The Divisions preferred method of demonstrating well integrity is to perform an MIT.



Page 2
Mr. Tariq Ahmad
January 29, 2009

For extended SI/TA consideration the operator shall provide the Division with the following:

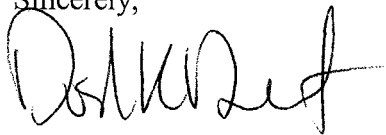
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, a Notice of Violation will be issued and further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP:js
Enclosure
cc: Jim Davis, SITLA
Compliance File
Well Files

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	Whyte-State 2	43-019-16263	ML-48933	46 Years 2 Months
2	Sweetheart 7	43-019-31420	ML-48933	2 Years 10 Months
3	Little Boy 1	43-019-31459	ML-48933	2 Years 6 Months
4	Little Boy 2	43-019-31460	ML-48933	2 Years 6 Months
5	Sweetheart 2A	43-019-31418	ML-48933	2 Years 9 Months
6	Petro-X 23-1	43-019-30558	Fee	28 Years 9 Months
7	14-01	43-019-31450	Fee	2 Years 6 Months
8	Sweetheart 14-02	43-019-31451	Fee	1 Year 7 Months



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

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January 29, 2009

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Page 2
Mr. Tariq Ahmad
January 29, 2009

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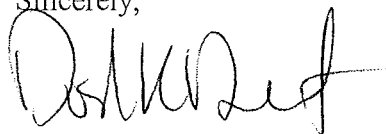
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Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

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Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP:js
Enclosure
cc: Jim Davis, SITLA
Compliance File
Well Files

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6	Petro-X 23-1	43-019-30558	Fee	28 Years 9 Months
7	14-01	43-019-31450	Fee	2 Years 6 Months
8	Sweetheart 14-02	43-019-31451	Fee	1 Year 7 Months

7004 2510 0004 1824 6664

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

2/2/09

Postmark
Here

Total Postage

Sent To

MR TARIQ AHMAD
PACIFIC ENERGY

Street, Apt. No.
or PO Box No.
City, State, Zi

3550 BARRON WAY STE 13A
RENO NV 89511-1852

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MR TARIQ AHMAD
PACIFIC ENERGY
3550 BARRON WAY STE 13A
RENO NV 89511-1852

2. Article Number
(Transfer from service label)

7004 2510 0004 1824 6664

PS Form 3811, February 2004

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

☐ Agent
☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

2-6-09

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

102595-02-M-1540

Pacific Energy & Mining Company

February 6, 2009

Dustin Doucet
Petroleum Engineer
Utah Division of Oil Gas and Mining
PO Box 145801
Salt Lake City, Utah 84114

Subject: Second Notice of Extended Shut-in

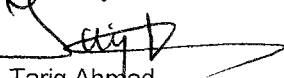
Dear Dustin:

Reference your letter dated January 29, 2009, I had sent in a sundry notice on September 23, 2008 informing the Division that we cannot place the wells on production as we have lost access to the pipeline. We are trying to get the access to the pipeline, however, since the pipeline is connected through a meter that is allegedly owned by Pride Ventures LLC, Pride wont allow us to produce our wells in the line.

It is in our interest to get the wells on production as quickly as possible. We expect that we will have our issues resolved concerning the pipeline access in the next 180 days. We have already received the Right of Way for the pipeline, see attached grant of right of way.

I will appreciate if we are granted the temporary shut in status.

Sincerely,



Tariq Ahmad

RECEIVED

FEB 17 2009

DIV. OF OIL, GAS & MINING

P.O. Box 18148
Reno, Nevada 89511
Phone: 775 852-7444
Fax: 775 851-1138



Unit States Department of the Interior
BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532



2880
UTU-86731
(UT-062)

DECISION

MAR/REG Oil Company
P.O. Box 18148
Reno, Nevada 89511

Right-of-way UTU-86731

Right-of-Way Grant UTU-86731 Issued

Enclosed is a copy of right-of-way (R/W) grant UTU-86731 that has been approved by the Bureau of Land Management. The issuance of this R/W grant constitutes a final decision by the Bureau of Land Management in this matter.

Within 30 days of receipt of this decision, you have the right of appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations at 43 CFR 4.400. If an appeal is taken you must follow the procedures outlined in the enclosed Form 1842-1, Information on Taking Appeals to the Board of Land Appeals. The appellant has the burden of proof of showing that the decision appealed from is in error.

Please note, however, that under the regulations in 43 CFR Group 2800, this decision is effective even if an appeal is filed.

Sincerely,

Assistant Field Office Manager
Division of Resources

Enclosures

1. R/W Grant UTU-86731 (4 pp)
2. Appeals Form 1842-1 (1)

RECEIVED

FEB 17 2009

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY GRANT
SERIAL NUMBER UTU-86731

1. A right-of-way is hereby granted pursuant to Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185).
2. Nature of Interest:
 - a. By this instrument, the holder:

MAR/REG Oil Company
P.O. Box 18148
Reno, Nevada 89511

receives a right to operate, maintain, and terminate a surface-laid steel pipeline gathering system (2" and 3" pipeline segments servicing Vukasovich wells), across the following public lands:

T. 20 S., R. 23 E.,
sec. 31, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

T. 21 S., R. 23 E.,
sec. 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 5, lots 1-4, and SE $\frac{1}{4}$ NE $\frac{1}{4}$;
sec. 6, lots 1 and 2;
sec. 9, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
sec. 10, N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$;
sec. 11, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$.
 - b. The right-of-way granted herein is 10 feet wide, 4.73 miles long, and contains 5.74 acres, more or less.
 - c. This instrument shall terminate on December 31, 2027 unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
 - d. This instrument may be renewed. If renewed, the right-of-way shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
 - e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.

3. Rental: In accordance with 43 CFR 2885.15-22:

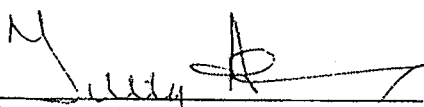
For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

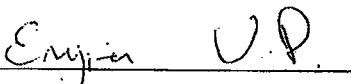
4. Terms and Conditions:

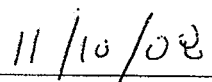
- a. This grant is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations parts 2800 and 2880.
- b. The right-of-way is issued subject to prior valid existing rights.
- c. 90 days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures, or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder's commencement of any termination activities.
- d. Each grant issued for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, that a right-of-way granted herein may be reviewed at any time deemed necessary by the authorized officer.
- e. The map, Exhibit A, is attached hereto and incorporated into and made a part of this grant instrument.
- f. Failure of the holder to comply with applicable law or any provision of this right-of-way grant shall constitute grounds for suspension or termination thereof.
- g. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.
- h. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of 4 inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- i. The holder shall conduct all activities associated with the operation and termination of the right-of-way within the authorized limits of the right-of-way. All construction and vehicular traffic shall be confined to the right-of-way or designated access routes, roads, or trails unless otherwise authorized in writing by the authorized officer.
- j. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the right-of-way holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation shall be made by the authorized officer after consulting with the holder.

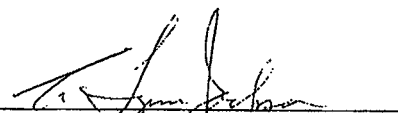
- k. With the exception of the pipeline, all above-ground structures on the pipeline right-of-way (such as pipe guards, pigging stations) not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project will be a desert tan or other neutral color that blends with the surrounding soils and vegetation.
- l. The holder shall be responsible for weed control on the disturbed areas within the limits of the right-of-way. The holder is responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods (within limits imposed in the grant and stipulations).
- m. The holder(s) shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder(s) shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Section 102b. A copy of any report required or requested by Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- n. The holder of Right-of-Way No. UTU-86731 agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901, et seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

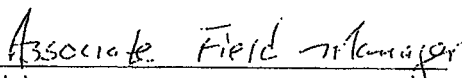
IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant.



(Signature of Holder)

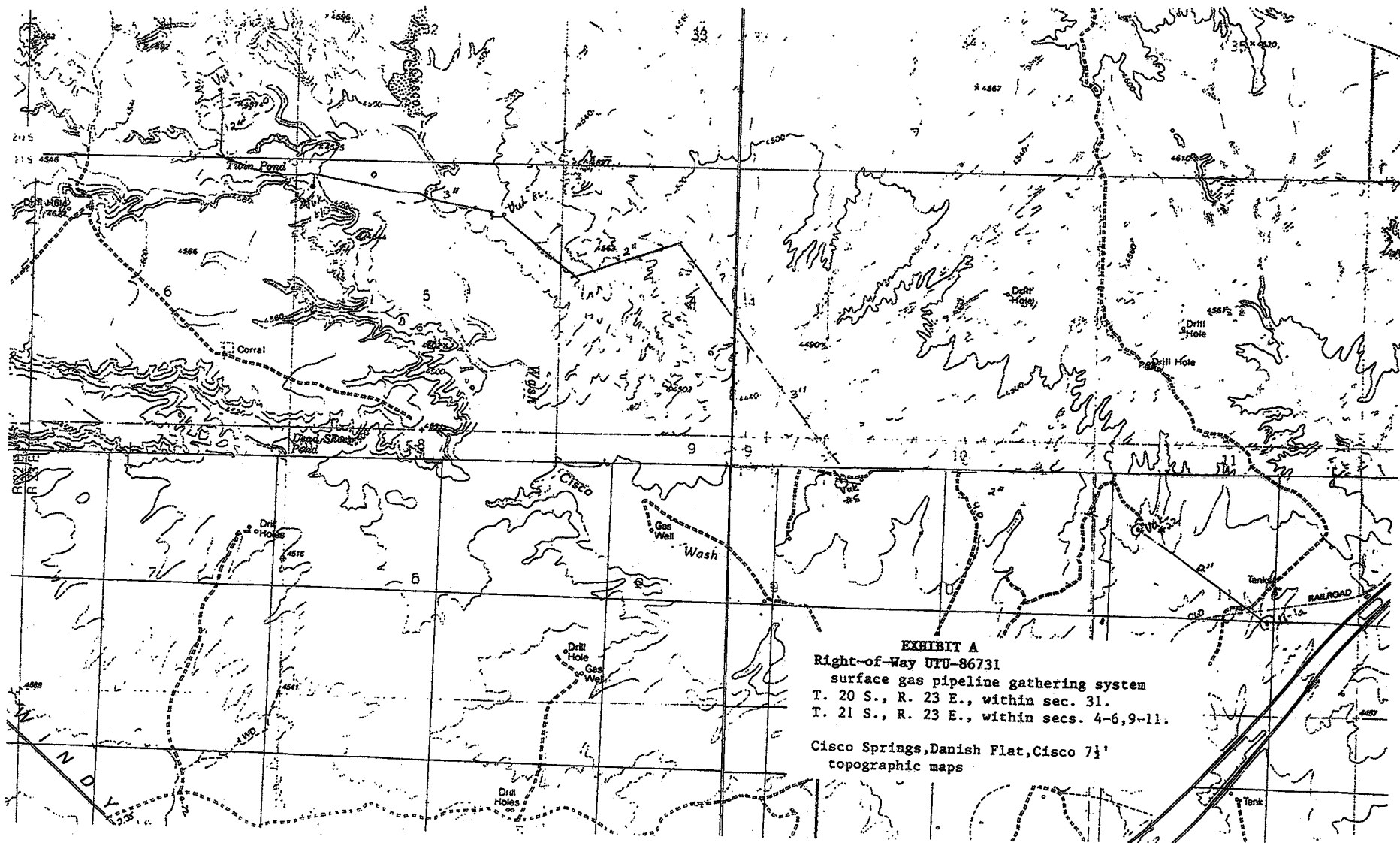

(Title)


(Date)


(Signature of BLM Authorized Officer)


(Title)


(Effective Date of the Grant)



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: Petro-X 23-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 330 FNL 2310 FWL		9. API NUMBER: 4301930558
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 23 21S 23E S		10. FIELD AND POOL, OR WILDCAT: CISCO
COUNTY: Grand		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extended Shut in
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well was pulled, tubing was changed. Well was tested by State representative for TD. TP and CP are both equal, there is no fluid in the hole. Both tubing and casing pressure are equal. Well is hooked into the gas gathering statement. Awaiting pipeline access. Request 180 days shut in till we get well sales on line.

NAME (PLEASE PRINT) Tariq Ahmad TITLE Petroleum Engineer
SIGNATURE [Signature] DATE 2/9/2009

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DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48933
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: Whyte-Stae 2
10. FIELD AND POOL, OR WILDCAT: CISCO		9. API NUMBER: 4301916263

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1650 FSL 2310 FWL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 24 21S 23E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Production
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well was pulled, tubing was changed. Well has 60 psi cp and tp. There is no fluid in the hole when well was pulled. Well tested at 20 MCF per day. Well is hooked into gas gathering system. Request a extended shut in for 180 days until electric generator is installed in section 25.

NAME (PLEASE PRINT) Tariq Ahmad TITLE Petroleum Engineer
SIGNATURE _____ DATE 2/9/2009

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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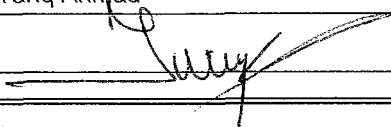
1. TYPE OF WELL	OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE LEASE
2. NAME OF OPERATOR:	Pacific Energy & Mining Co.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR:	PO Box 18148 CITY Reno STATE NV ZIP 89511	7. UNIT or CA AGREEMENT NAME:
	PHONE NUMBER: (775) 852-7444	8. WELL NAME and NUMBER: 14-01
		9. API NUMBER: 4301931450
		10. FIELD AND POOL, OR WILDCAT: CISCO

4. LOCATION OF WELL	
FOOTAGES AT SURFACE: 2304 FWL 872 FSL	COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 14 21S 23E S	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Extended Shut In
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well tubing has been pulled, are waiting on weather to get back into well and install tubing and place well on production.
Request shut in status until June 2009. Well was perforated from 824-828.

NAME (PLEASE PRINT) Tariq Ahmad	TITLE Petroleum Engineer
SIGNATURE 	DATE 2/9/2009

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DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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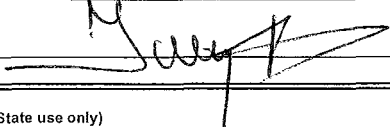
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE LEASE
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: 14-02
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1093 FSL 1834 FWL		9. API NUMBER: 4301931451
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 14 21S 23E S		10. FIELD AND POOL, OR WILDCAT: CISCO
COUNTY: Grand		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Production	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well has been placed on production and tied to Nathan Fee 14-4 well to power the engine for the well. We are using 3 MCF per day of natural gas.

NAME (PLEASE PRINT) Tariq Ahmad	TITLE Petroleum Engineer
SIGNATURE 	DATE 2/9/2009

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

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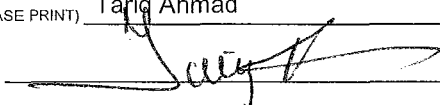
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48933
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2304 FSL, 852 fWL		8. WELL NAME and NUMBER: Sweetheart 2A
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 24 21S 23E S		9. API NUMBER: 4301931418
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT:
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extended Shut In
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The well was tested with Fluid Level Surveys. There is no fluid in the hole. The CP and TP are both 200 psi. We have flow tested the flow and installed a compressor on location. Based upon the fluid level surveys we feel that the well integrity is good. There are no leaks in the casing or tubing.

Due to the fact that we have been denied access to the pipeline, we are currently working with Veteri Farms, wherein Veteri Farms is to install a generator in Section 25, which will be powered by our natural gas. Based upon the agreement with Veteri farms we would work to have natural gas being sold to Veteri farms in the next 180 days. We request that an extended shut in be allowed until a generator is intalled in Section 25, which we expect to be in operation within 180 days.

NAME (PLEASE PRINT) <u>Tarig Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE <u></u>	DATE <u>2/9/2009</u>

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FORM 9

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48933
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: Sweetheart 7A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FNL, 660 FWL		9. API NUMBER: 4301931420
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 24 21S 23E S		10. FIELD AND POOL, OR WILDCAT: Cuso
COUNTY: Grand		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extended Shut In
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The well was tested with Fluid Level Surveys. There is no fluid in the hole. The CP and TP are both 0 psi. We have pulled all the tubing from the hole. There is no fluid or gas in the hole. Due to weather related issues, we cannot get into the location until weather is clear so that we can get into location. Once on location we will pull the BP, install a cement plug at the bottom of hole at 762 feet to shut off water and then place well on production in the Morrison at about 2 bbls of oil per day.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/9/2009</u>

(This space for State use only)

RECEIVED

FEB 17 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS


Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48933
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FNL 680 FWL		8. WELL NAME and NUMBER: Little Boy 1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 24 21S 23E S		9. API NUMBER: 4301931459
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: CISCO
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Production
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well is shut in, CP pressure is 20 psi. Well is hooked up to 5A to supply gas to run engine. Estimated usage is 1 mcf per day.

NAME (PLEASE PRINT) Tariq Ahmad	TITLE Petroleum Engineer
SIGNATURE 	DATE 2/9/2009

(This space for State use only)

RECEIVED
FEB 17 2009

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48933
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: Little Boy 2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2301 FSL 877 FWL		9. API NUMBER: 4301931460
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 24 21S 23E S		10. FIELD AND POOL, OR WILDCAT: CISCO
COUNTY: Grand		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Production
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well is shut in, CP pressure is 20 psi. Well is hooked up to compressor located at 2A well.

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE

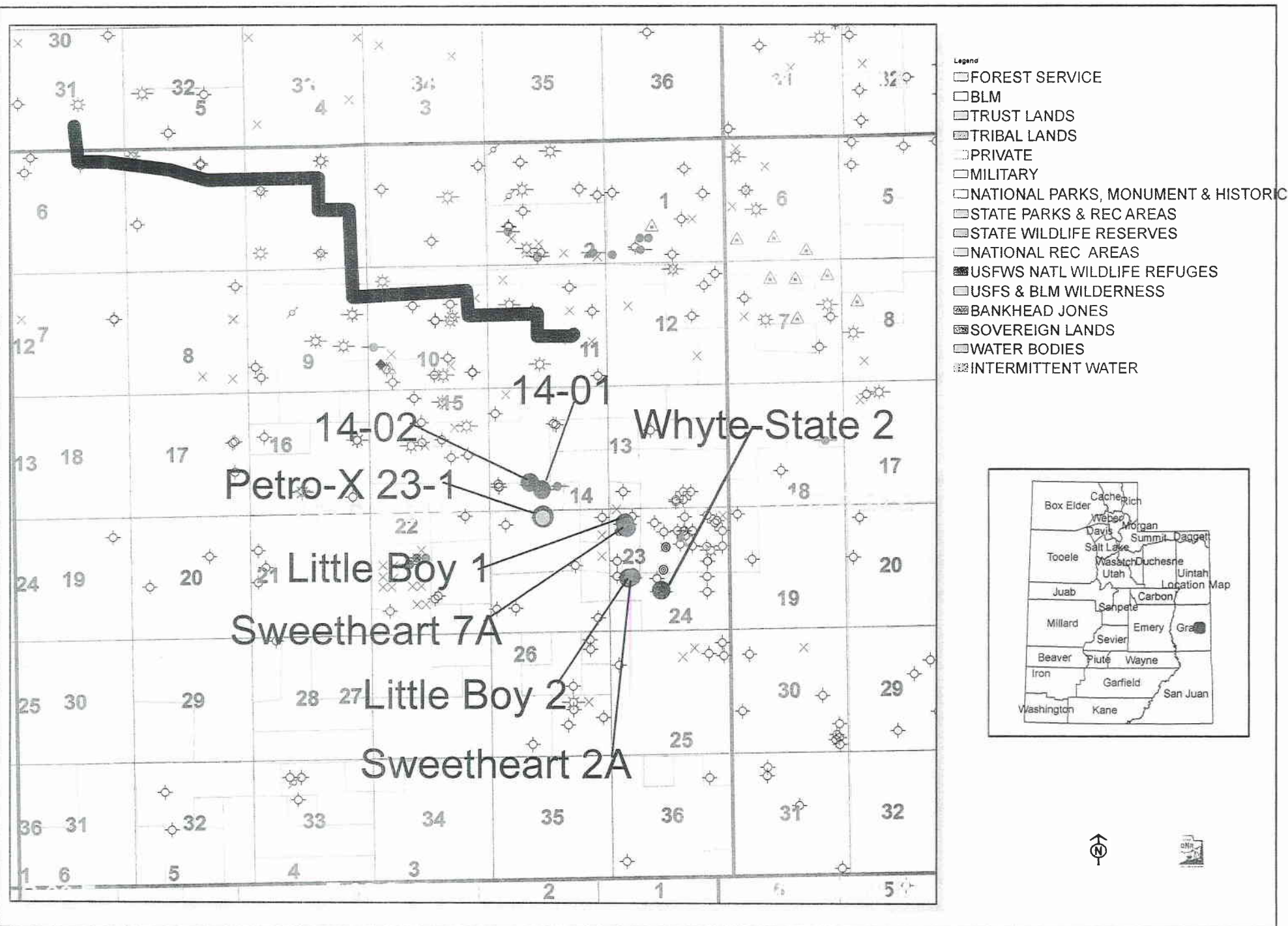
DATE 2/9/2009

(This space for State use only)

RECEIVED

FEB 17 2009

DIV. OF OIL, GAS & MINING





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 4, 2009

CERTIFIED MAIL NO. 7004 1160 0003 0190 2600

Mr. Tariq Ahmad
Pacific Energy & Mining Company
3550 Barron Way, Ste 13A
Reno, NV 89511-1852

43 019 31450
14-01
21S 23E 14

Subject: **Second Notice: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases dated January 29, 2009**

Dear Mr. Ahmad:

The Division of Oil, Gas and Mining (the Division) is in receipt of your letter dated October 17, 2008 in regards to the eight (8) shut-in or temporarily abandoned (SI/TA) Fee and State Lease Wells (Attachment A) operated by Pacific Energy & Mining Company (Pacific). The Division does not object to the proposed work on the said wells in the next 180 days, and prefers that the issues concerning these wells be resolved within that time. However, due to insufficient information provided by Pacific concerning well integrity, the Division is unable to grant extended SI/TA status for these wells. Insufficient data was received per R649-3-36 providing **proof of integrity**. It is Pacific's responsibility to explain how any submitted data proves well integrity. Note: The Divisions preferred method of demonstrating well integrity is to perform an MIT.

The Division is also very concerned with length of time these wells have been shut-in with little if any attempt to market the product for the majority of that time frame. This is especially true of the wells taken over from the Orphan Well Program. These particular wells were to be put on production or plugged immediately after taking over operatorship. To the Divisions knowledge, nothing has been done on these wells to restore them to production. Please submit the necessary information to bring all of the wells listed in Attachment A back into compliance.



Page 2

Pacific Energy & Mining Company

March 4, 2009

For extended SI/TA consideration the operator shall provide the Division with the following:

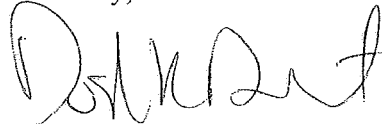
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, a Notice of Violation will be issued and further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js

Enclosure

cc: Jim Davis, SITLA

Compliance File

Well Files

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	Whyte-State 2	43-019-16263	ML-48933	46 Years 2 Months
2	Sweetheart 7	43-019-31420	ML-48933	2 Years 10 Months
3	Little Boy 1	43-019-31459	ML-48933	2 Years 6 Months
4	Little Boy 2	43-019-31460	ML-48933	2 Years 6 Months
5	Sweetheart 2A	43-019-31418	ML-48933	2 Years 9 Months
6	Petro-X 23-1	43-019-30558	Fee	28 Years 9 Months
7	14-01	43-019-31450	Fee	2 Years 6 Months
8	Sweetheart 14-02	43-019-31451	Fee	1 Year 7 Months



PACIFIC ENERGY & MINING CO

RECEIVED

MAR 23 2009

DIV. OF OIL, GAS & MINING

March 17, 2009

Dustin Doucet
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114

43 019 31450
14-01
215 23E 14

Subject: Extended Shut-in Notice

Dear Doucet:

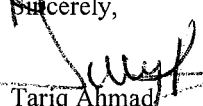
I am in receipt of your letter dated March 4, 2009. Our response is as follows:

1. As discussed we are in the process of getting the casing integrity tests
2. The ROW that we have received is to connect our existing line in Section 11 to the Petro X meter which ends at the new ROW from the BLM. Once we have installed the lines we will commence sales of natural gas.
3. The Little Boy #1 and Little Boy #2 are only about 300 feet in depth. The surface casing for both wells was installed and cemented to the surface with a TD of about 120 feet. The wellbore diagrams were submitted to you earlier. The surface pressure on both of the wells is approximately 30 psi and it has stayed constant since we drilled these wells. The wells are completed openhole. Based upon the constant pressure we believe that the casing integrity is good, otherwise we would have observed a decrease in surface pressure over time if natural gas has seeped into a hole in the casing.
4. None of the wells in the list have any fluid in the hole.
5. We expect to have the wells on production by June of this year once we have built the requisite pipeline.

As stated earlier we had requested the temporary shut in status due to the fact that we cannot transport the natural gas through the pipeline allegedly owned by Pride Ventures. Because of this reason we had applied and recently received the requisite ROW, a copy of which was sent to you earlier.

Once we receive the casing pressure tests we will submit the same to your office.

Sincerely,


Tariq Ahmad
Petroleum Engineer

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: Pacific Energy & Mining Company

Well(s) or Site(s):

- | | | | | |
|---------------------|--------------|-----|-----|----|
| 1. Whyte-State 2 | 43-019-16263 | | | |
| 2. Sweetheart 7 | 43-019-31420 | | | |
| 3. Little Boy 1 | 43-019-31459 | | | |
| 4. Little Boy 2 | 43-019-31460 | | | |
| 5. Sweetheart 2A | 43-019-31418 | | | |
| 6. Petro-X 23-1 | 43-019-30558 | | | |
| → 7. 14-01 | 43-019-31450 | 21S | 23E | 14 |
| 8. Sweetheart 14-02 | 43-019-31451 | | | |

Date and Time of Inspection/Violation: April 4, 2009

Mailing Address: Mr. Tariq Ahmad
Pacific Energy & Mining Company
3550 Barron Way, Ste 13A
Reno, NV 89511-1852

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells –According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Pacific Energy & Mining Company (Pacific Energy) requesting required documents and action per R649-3-36. The Division notified (Pacific Energy) with a first notice by certified mail on September 3, 2008, about these wells non-compliance issues. (Pacific Energy) responded by stating they would have the wells in production within 14 day. They were not returned to production. The above listed wells then had

Pacific Energy & Mining Company

September 28, 2009

Notice of Violation

a second notice sent out via certified mail on January 29, 2009 to (Pacific Energy). In that notice it was made clear that if this issue was not addressed within 30 days of receipt of the letter, a Notice of Violation would be issued for the wells. (Pacific Energy) responded by stating several wells were on production and several would be within 180 days. (Pacific Energy) was noticed via certified mail on March 4, 2009 that insufficient data was submitted to extend SI/TA. 180 days have passed and our records do not show any production from these wells. To date the Division has not seen any further correspondence on this matter. Our records show nothing has been done to move these wells out of violation status.

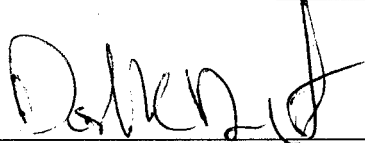
Action: For the wells subject to this notice, (Pacific Energy) shall either submit the information required by R649-3-36, plug and abandon or place the wells on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: November 1, 2009

Date of Service Mailing: September 28, 2009

CERTIFIED MAIL NO: 7004 1160 0003 0190 3461



Division's Representative

Operator or Representative
(If presented in person)

cc: Jim Davis, SITLA
Well Files
Operator Compliance File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\NOV's

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE LEASE
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: 14-01
4. LOCATION OF WELL FOOTAGES AT SURFACE: 872 FSL 2304 FWL COUNTY: Grand		9. API NUMBER: 4301931450
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 14 21S 23E S STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Greater Cisco

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Integrity Test	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

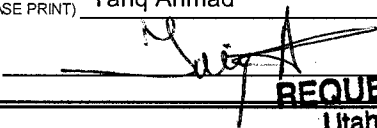
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Pursuant to letter dated September 28, 2009. Fluid Level Test was run on the well. See Attached. No fluid in the hole. No holes were indicated in the casing on the test. No tubing in hole.

COPY SENT TO OPERATOR

Date: 7.13.2010

Initials: KS

NAME (PLEASE PRINT) Tariq Ahmad	TITLE Petroleum Engineer
SIGNATURE 	DATE 10/16/2009

REQUEST DENIED

(This space for State use only)

Utah Division of
Oil, Gas and Mining

Date: 6/29/10

By: 

* Insufficient and inconclusive information provided (See Instructions on Reverse Side)

RECEIVED

OCT 21 2009

DIV. OF OIL, GAS & MINING

ECHOMETER COMPANY PHONE-940-767-4334

WELL 1H-02
CASING PRESSURE 0
 ΔP _____
 ΔT _____
PRODUCTION RATE _____

@ 1100 hrs
10 Oct 09

JOINTS TO LIQUID _____
DISTANCE TO LIQUID _____
PBHP _____
SBHP _____
PROD RATE EFF, % _____
MAX PRODUCTION _____

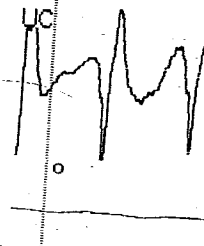
10/10/2009 11:58:54

COLLAR P-P mV 0.177
A: 8.16
UPPER

LIQUID P-P mV 0.215
A: 5.02

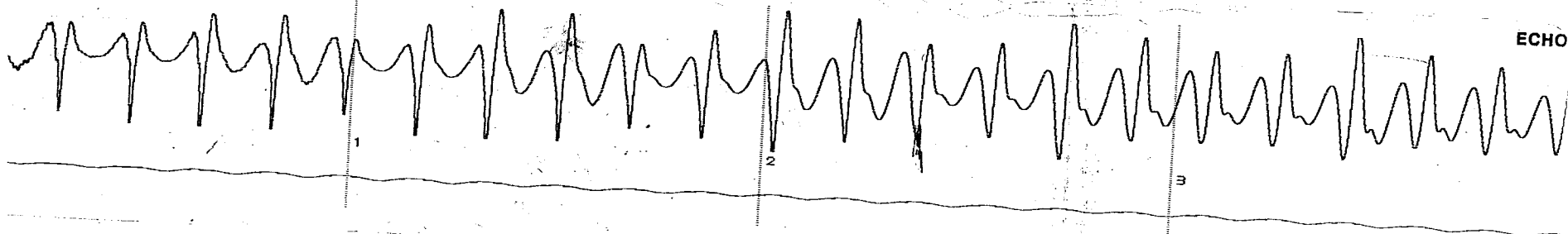
GENERATE
PULSE

12.0
VOLTS

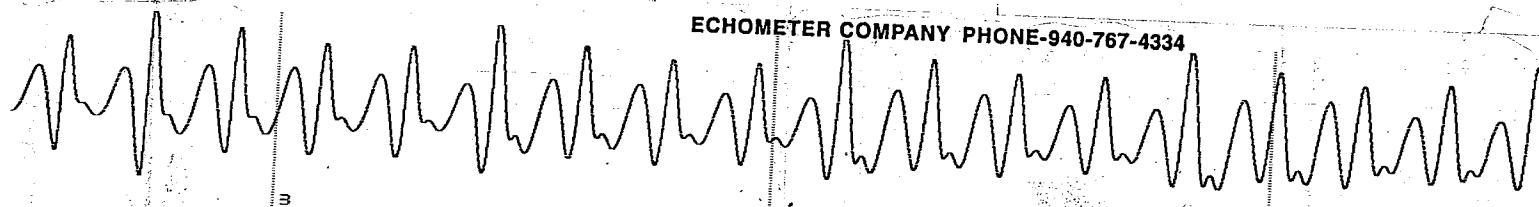


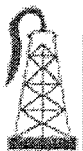
EC

ECHOMETER COMPANY PHONE-940-767-4334



ECHOMETER COMPANY PHONE-940-767-4334





PACIFIC ENERGY & MINING CO

October 16, 2009

Dustin Doucet
Petroleum Engineer
Utah Division of Oil Gas and Mining
PO Box 145801
Salt Lake City, Utah 84114

Subject: Notice of Violation April 4, 2009

Dear Dustin:

Enclosed please find the sundry notices on the wells in question. As agreed we ran fluid level surveys on the wells, these surveys have shown that the casing has no holes in any of the wells.

Furthermore, we have placed the 14-02 well on production since August 2009.

Sincerely,


Tariq Ahmad

RECEIVED

OCT 21 2009

Mar/Reg Oil Company

April 28, 2010

Tamir Abudi
President
Delek Energy US
1401 17th Street, Suite 700
Denver, Colorado 80202

Subject: Pipeline Access
Cisco, Utah

43 019 3450
14-01
21S 23E 14

COPY

Dear Mr. Abudi:

We had requested during 2008 and again during 2009 that Elk allow us access to its gas gathering system. Based upon our request, we were advised by Anna Ilhan, Operations Engineer, to do the following:

1. Obtain a ROW from the BLM to the your pipeline;
2. Obtain natural gas analysis for the wells.

After we did both, Ms. Ilhan, informed us by telephone and email, that Elk is not willing to purchase or transport our gas into the system. Thus our gas has been stranded for over 24 months due to the actions of your company.

During the week of April 19th we met with the Bureau of Land Management and they informed us that the public ROW for a natural gas or oil pipeline contains the stipulation that the pipelines are common carriers, and thus must allow natural gas into the pipelines. (See 43 CR 2885.11 (16) that a ROW holders must grant access to the pipeline.)

Your ROW contains this specific stipulation as all pipeline ROW have this governmental stipulation. A copy of the regulation is attached herewith for your review. As you know due to the actions of Elk, we have lost production for over 24 months, we continue to suffer losses due to the refusal of Elk to allow us access to the pipeline.

We will appreciate if you would provide us access to the gathering system so that we can start sales of our natural gas. Delek Energy/Elk have until May 5th 2010 to respond to this request, failing we will take up this matter with the BLM and the State Board of Oil Gas and Mining.

Sincerely,

Tariq Ahmad

Cc: Bureau of Land Management, Moab, Utah
Utah Division of Oil Gas and Mining

RECEIVED

MAY 04 2010

DIV. OF OIL, GAS & MINING

P.O. Box 18148
Reno, Nevada 89511
Phone: 775 852-7444
Fax: 775 851-1138

related facility siting standards contained in applicable Federal or state law or regulations;

(iii) Control or prevent damage to scenic, aesthetic, cultural, and environmental values, including fish and wildlife habitat, and to public and private property and public health and safety;

(iv) Protect the interests of individuals living in the general area who rely on the area for subsistence uses as that term is used in Title VIII of ANILCA (16 U.S.C. 3111 *et seq.*); and

(v) Ensure that you construct, operate, maintain, and terminate the facilities on the lands in the right-of-way or TUP area in a manner consistent with the grant or TUP;

(10) Immediately notify all Federal, state, tribal, and local agencies of any release or discharge of hazardous material reportable to such entity under applicable law. You must also notify BLM at the same time, and send BLM a copy of any written notification you prepared;

(11) Not dispose of or store hazardous material on your right-of-way or TUP area, except as provided by the terms, conditions, and stipulation of your grant or TUP;

(12) Certify that your compliance with all requirements of the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. 11001 *et seq.*, when you receive, assign, renew, amend, or terminate your grant or TUP;

(13) Control and remove any release or discharge of hazardous material on or near the right-of-way or TUP area arising in connection with your use and occupancy of the right-of-way or TUP area, whether or not the release or discharge is authorized under the grant or TUP. You must also remediate and restore lands and resources affected by the release or discharge to BLM's satisfaction and to the satisfaction of any other Federal, state, tribal, or local agency having jurisdiction over the land, resource, or hazardous material;

(14) Comply with all liability and indemnification provisions and stipulations in the grant or TUP;

(15) As BLM directs, provide diagrams or maps showing the location of any constructed facility;

(16) Construct, operate, and maintain the pipeline as a common carrier. This means that the pipeline owners and operators must accept, convey, transport, or purchase without discrimination all oil or gas delivered to the pipeline without regard to where the oil and gas was produced (*i.e.*, whether on Federal or non-Federal lands). Where natural gas not subject to state regulatory or conservation laws governing its purchase by pipeline companies is offered for sale, each pipeline company must purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline. Common carrier provisions of this paragraph do not apply to natural gas pipelines operated by a:

(i) Person subject to regulation under the Natural Gas Act (15 U.S.C. 717 *et seq.*); or

(ii) Public utility subject to regulation by state or municipal agencies with the authority to set rates and charges for the sale of natural gas to consumers within the state or municipality.

(17) Within 30 calendar days after BLM requests it, file rate schedules and tariffs for oil and gas, or derivative products, transported by the pipeline as a common carrier with the agency BLM prescribes, and provide BLM proof that you made the required filing;

(18) With certain exceptions (listed in the statute), not export domestically produced crude oil by pipeline without Presidential approval (*see* 30 U.S.C. 185(u) and (s) and 50 U.S.C. App. 2401);

(19) Not exceed the right-of-way width that is specified in the grant without BLM's prior written authorization. If you need a right-of-way wider than 50 feet plus the ground occupied by the pipeline and related facilities, *see* § 2885.14 of this subpart;

(20) Not use the right-of-way or TUP area for any use other than that authorized by the grant or TUP. If you require other pipelines, looping lines, or other improvements not authorized by the grant or TUP, you must first secure BLM's written authorization;

(21) Not use or construct on the land in the right-of-way or TUP area until:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			5. LEASE DESIGNATION AND SERIAL NUMBER ML 48933
2. NAME OF OPERATOR Pacific Energy & Mining Co.			6. IF INDIAN ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR PO Box 18148 CITY Reno STATE NV ZIP 89511			7. UNIT or CA AGREEMENT NAME
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2304 FSL, 852 fWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN NWSW 24 21S 23E S			8. WELL NAME and NUMBER Sweetheart 2A
			9. API NUMBER 4301931418
			10. FIELD AND POOL OR WILDCAT
			COUNTY Grand
			STATE UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION / START / RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER Extended Shut in

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The well was tested with Fluid Level Surveys. There is no fluid in the hole. The CP and TP are both 200 psi. We have flow tested the flow and installed a compressor on location. Based upon the fluid level surveys we feel that the well integrity is good. There are no leaks in the casing or tubing.

Due to the fact that we have been denied access to the pipeline, we are currently working with Veteri Farms, wherein Veteri Farms is to install a generator in Section 25, which will be powered by our natural gas. Based upon the agreement with Veteri farms we would work to have natural gas being sold to Veteri farms in the next 180 days. We request that an extended shut in be allowed until a generator is intalled in Section 25, which we expect to be in operation within 180 days.

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>Petroleum Engineer</u>
SIGNATURE <u></u>	DATE <u>2/9/2009</u>

(B)

This space for State use only)

Pacific Energy & Mining Company

February 6, 2009

Dick Crist
Vice President
Elk Resources Inc
1401 17th Street, Suite 700
Denver, CO. 80202

Subject: Petrox Meter #1

Dear Crist:

Enclosed please find a copy of the right of way grant from UTU 86731 that allows us to transport our natural gas through our lines to the purchase meter listed above.

I will appreciate if you would turn on the meter at our location so that we may start selling our natural gas through our own lines.

I am enclosing a copy of the email we had received from Tom Young concerning the issues with Pride Ventures and the issues,

Clearly, we own the pipelines and the right of way thus any use of the meter by Pride ventures is improper.

Sincerely,

Tariq Ahmad

Cc: Pride Ventures LLC

(c)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER
SEE BELOW

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

8. WELL NAME and NUMBER

SEE BELOW

2. NAME OF OPERATOR:

Pacific Energy & Mining Company

9. API NUMBER:

SEE BELOW

3. ADDRESS OF OPERATOR:

P.O. Box 18148

CITY Reno

STATE NV

ZIP 89511

PHONE NUMBER:

(775) 852-7444

10. FIELD AND POOL, OR WILDCAT

Greater Cisco

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Information on shipping gas.
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The following is a listing of the concerned wells:

S.N.	WELL NAME	API	Lease Type
1	Whyte-State 2	43-019-16263	ML-48933
2	Sweetheart 7	43-019-31420	ML-48933
3	Little Boy 1	43-019-31459	ML-48933
4	Little Boy 2	43-019-31460	ML-48933
5	Sweetheart 2A	43-019-31418	ML-48933
6	Petro-X-23-1	43-019-30558	Fee
7	14-01	43-019-31450	Fee
8	Sweetheart 14-01	43-019-31451	Fee

At present, Pride Ventures has refused access for shipping our produced natural gas to Elk Resources; thus we can't ship the said gas until the matter is resolved. We will pursue and try to resolve this matter expeditiously. In the interim, we are trying to sell our produced gas locally.

***Please see attached email from Elk Resources, Inc.

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE

DATE 9/23/2008

(This space for State use only)

(D)



RE: Cisco Meter

Tuesday, September 23, 2008

From: "Tom Young" <tyoung@elkresources.net>..To: taroil@yahoo.com

Tariq,

Since your gas is transported into and thru Woosley's line and compressor, I visited with Jim yesterday and he w. that he is unwilling to continue to allow you to do this. Apparently for the last few years he has allowed this but it to problems such as high nitrogen, probably air, in your gas shutting down his compressor to mention one. The mentioned volumes were very small and flow seldom lasted more than a week or so. The only option that I can s you to get a ROW and lay a line to connect directly into us.

Tom C. Young
VP Southern Operations & Midstream
Elk Resources, Inc.
1401 17th Street, Suite 700
Denver, CO 80202
(303) 296-4505 - Main
(303) 339-1917 - Fax
tyoung@elkresources.net

From: [taroil \[mailto:taroil@yahoo.com\]](mailto:taroil@yahoo.com)
Sent: Monday, September 22, 2008 3:49 PM
To: Tom Young
Subject: Cisco Meter

Dear Tom:

Were you able to get the charts changed

Tariq I. Ahmad PE
PO Box 18148
Reno, Nevada 89511

775 333-6626 office
775 333-0225 fax
775 240-0769 cell
taroil@yahoo.com

E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 872 FSL 2304 FWL COUNTY: Grand QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 14 24 21S 23E S STATE: UTAH		8. WELL NAME and NUMBER: 14-01 9. API NUMBER: 4301931450 10. FIELD AND POOL, OR WILDCAT: Greater Cisco

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: Test
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Surface Casing 8 5/8 inch casing set at 122 feet cemented to surface.
Production casing 4 1/2 inch 9.5# set at 984 feet. Cemented from bottom to 720 feet.

Annulus Pressure = 0 psi
Casing Pressure = 30 psi

No tubing in Hole.

Echometer used to determine depth to liquid level. Level at approximately 107 feet.

Fluid level is about 15 feet below TOC in surface casing. Perf are about 530-35 feet

Since there is no pressure on the Annulus, and the production string is cemented as is the surface casing, therefore there is no communication between the production casing and the annulus. Thus production casing integrity is assured.

RECEIVED

MAR 22 2011

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Tariq Ahmad	TITLE Petroleum Engineer
SIGNATURE 	DATE 3/16/2011

(This space for State use only)

334

TER MODEL M V2.0.1
AL NO: 5126
TER COMPANY
OTTO LANE
FALLS, TEXAS 76302
40 - 767 - 4334
40 - 723 - 7507
INFO@ECHOMETER.COM

POWER ON
SELF TEST

PASS
REF 1.211 V

BATTERY
11.9 VOLTS

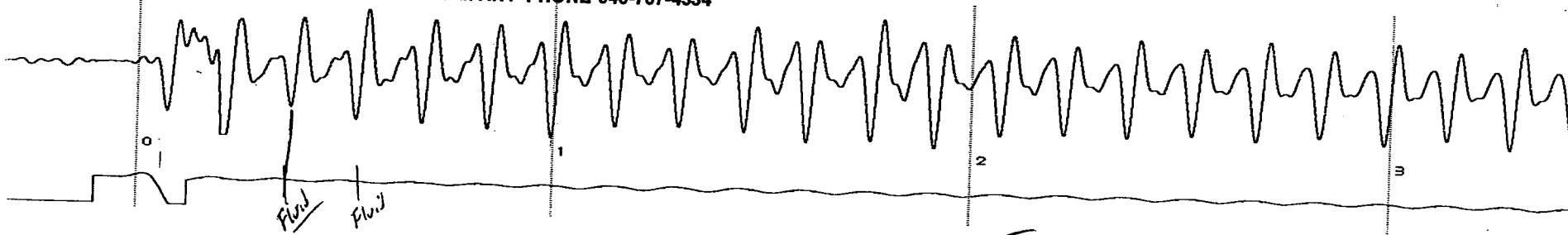
TURN
ON
CHART
DRIVE
TO
TEST
WELL

ECHOMETER COMPANY PHONE-940-767-4334

WELL 14-02
CASING PRESSURE 0
 ΔP
 ΔT
PRODUCTION RATE 0

JOINTS TO LIQUID
DISTANCE TO LIQUID
PBHP
SBHP
PROD RATE EFF, %
MAX PRODUCTION

ECHOMETER COMPANY PHONE-940-767-4334



Depth to Fluid $\frac{16 \text{ sec. } \sqrt{T}}{2}$

$$V = \frac{1348 \pm 16}{2} = 108 \text{ ft}$$

3 casing collar 120 ft

S.G. - .62

P. 30 pps



CEMENT BOND LOG
GAMMA RAY / CCL

COMPANY: COLORADO-UTAH NATURAL GAS INC.
WELL: NO. # 14-03
FIELD: GREATER CISCO
COUNTY: GRAND STATE: UTAH

Other Logs

LOCATION:
SEC. 14 TWP. 21S RGE. 23E
PERMANENT DATUM: G.L. ELEV.:
Log Measured From: D.F. Above Perm Datum 10.0'
Drilling Measured From: D.F.

Elevation
KB.
DF.
GL.

Type Log: CBL/GR/CCL
Run No.: ONE
Date: 1/13/2006
Total Depth Driller: N/A
Present Depth Driller:
Total Depth RMWS: 1007'
Survey Begins: 1000'
Survey Ends: 300'
Truck No: 209
Location: GRAND JCT.
Type Fluid in Hole: WATER
Weight lb/gal.: N/A
Fluid Level: FULL
Max. Hole Temp.: 80 DEG. F.

Recorded By: MCBROOM
Witnessed By: MR. CHRISTENSEN

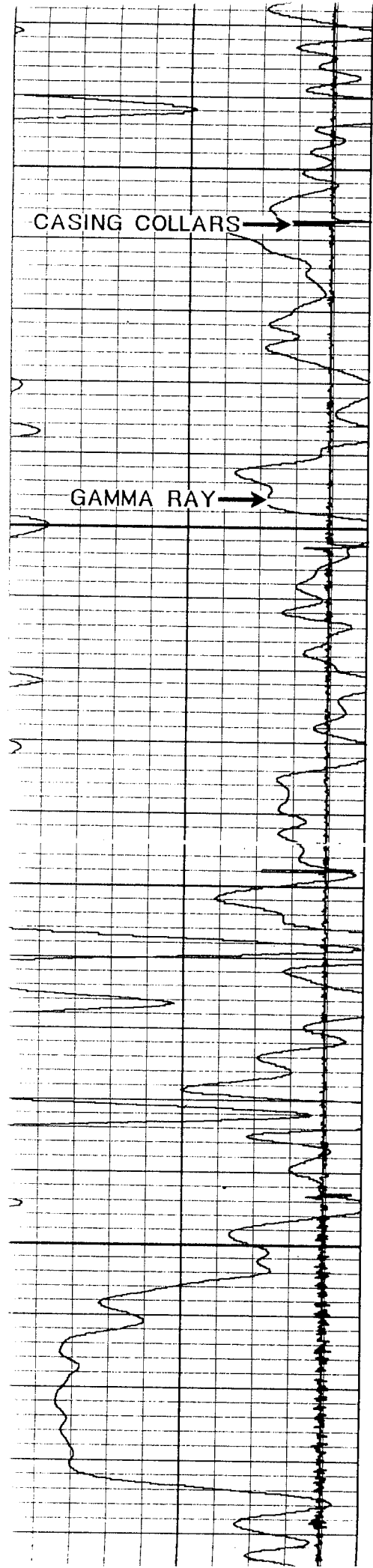
BORE HOLE RECORD				CASING RECORD			
RUN	BIT	FROM	TO	SIZE	WT.	FROM	TO
				4 1/2"	N/A	SURFACE	T.D.

EQUIPMENT DATA

TRUCK NO.: 209
C.B.T. S/N: 2005-DSCBL
GAMMA TOOL S/N: 1005
OTHER: CUNG#14-03CH
REMARKS: LINE, 9.5/GAIN, 9.3/TRIG T, -3214/CCLT, 100/GRT, 753/TT, -25/VDL, -15/GATE, 226,39
SC-TT, 200,400/CCL, 5000, -5000/AMP, -1, -300/GR, 5, 135/DSMR=0'.



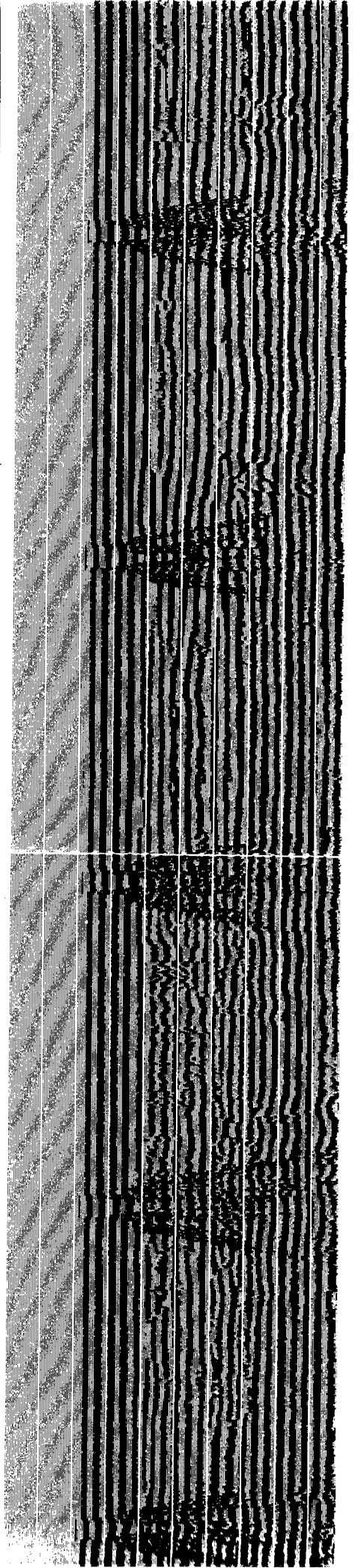
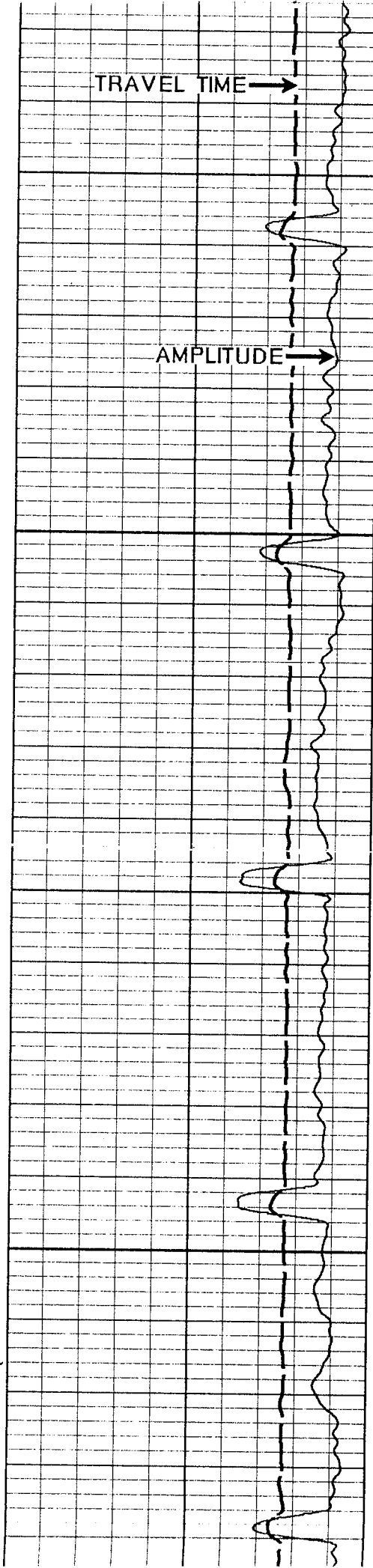
PIPE AMPLITUDE		CASING PRES. (Surf.):		STATI
0	GAMMA RAY	150	400	TRAVEL TIME
			200 0	MICROSECONDS
				10

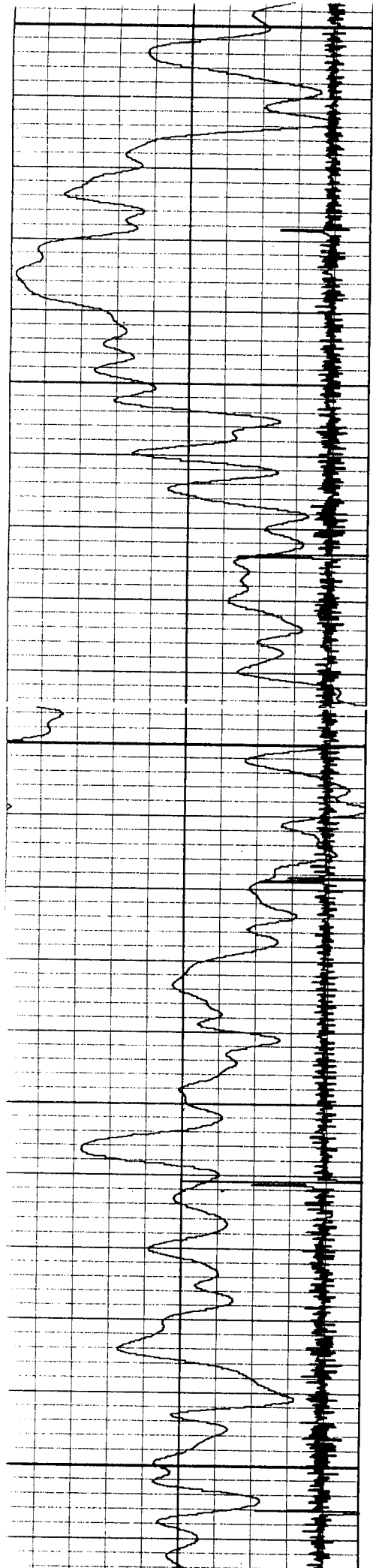


400

500

GoZou



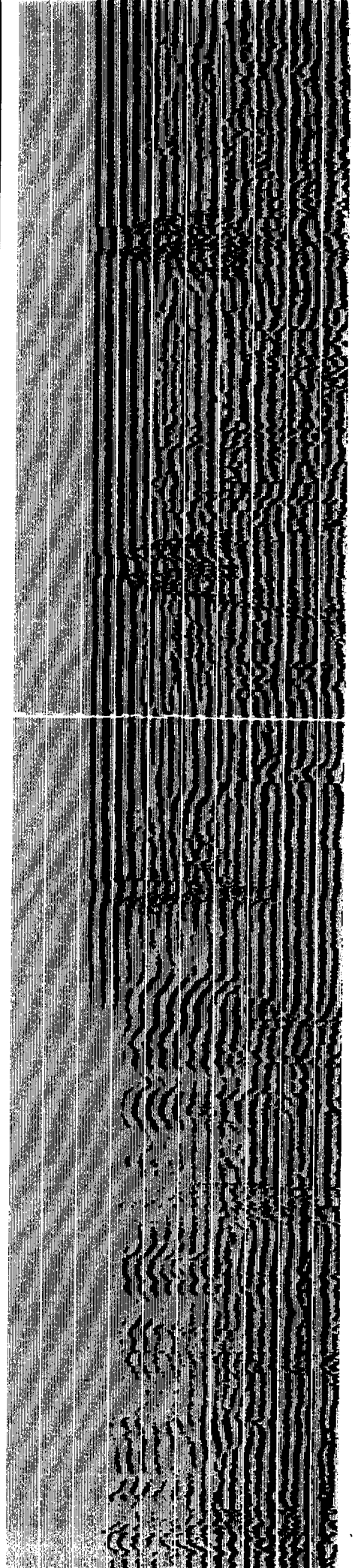
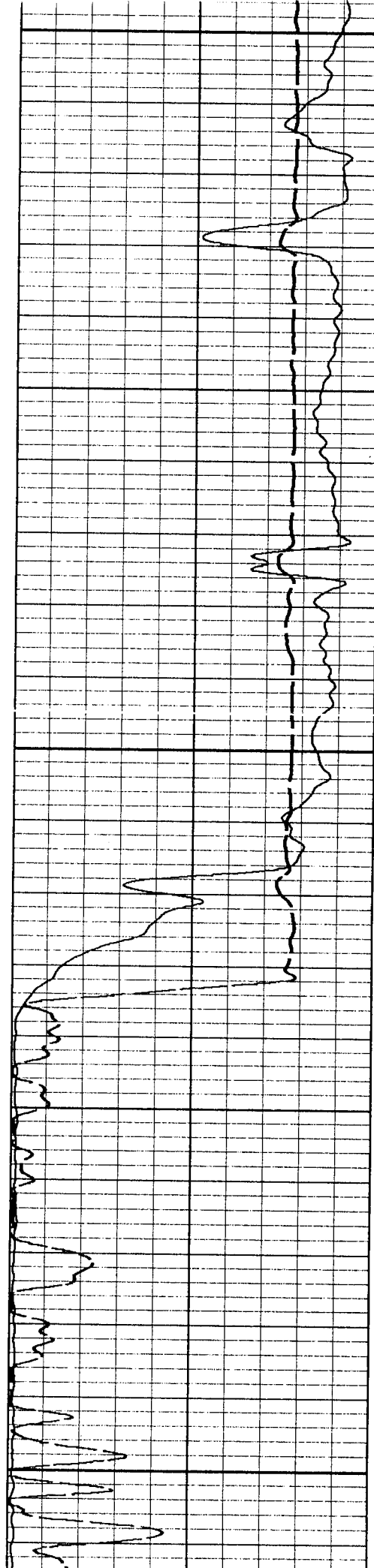


600

not counted to top

700

800



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well		8. WELL NAME and NUMBER: 14-01
2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO		9. API NUMBER: 4301931450000
3. ADDRESS OF OPERATOR: P.O. Box 18148 , Reno, NV, 89511		9. FIELD and POOL or WILDCAT: GREATER CISCO
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0872 FSL 2304 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 14 Township: 21.0S Range: 23.0E Meridian: S		COUNTY: GRAND
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/2/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/> SI/TA </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request a Temporary SI/TA for a 12 month period. We have applied for ROW from the BLM for our pipeline to connect with Elk Resources which has agreed to accept our gas.		
Approved by the Utah Division of Oil, Gas and Mining Date: 05/10/2011 By: <u>Derek Duff</u>		
NAME (PLEASE PRINT) Tariq Ahmad		PHONE NUMBER 775 852-7444
SIGNATURE N/A		TITLE President
		DATE 5/2/2011

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE			
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
		7. UNIT or CA AGREEMENT NAME:			
1. TYPE OF WELL Oil Well		8. WELL NAME and NUMBER: 14-01			
2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO		9. API NUMBER: 43019314500000			
3. ADDRESS OF OPERATOR: P.O. Box 18148 , Reno, NV, 89511		9. FIELD and POOL or WILDCAT: GREATER CISCO			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0872 FSL 2304 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 14 Township: 21.0S Range: 23.0E Meridian: S		COUNTY: GRAND			
		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/2/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text" value="SI/TA"/> </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text" value="SI/TA"/>
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text" value="SI/TA"/>			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request a Temporary SI/TA for a 12 month period. We have applied for ROW from the BLM for our pipeline to connect with Elk Resources which has agreed to accept our gas.					
NAME (PLEASE PRINT) Tariq Ahmad		PHONE NUMBER 775 852-7444			
SIGNATURE N/A		TITLE President			
		DATE 5/2/2011			



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019314500000

Extension valid through October 1, 2011. Continued monitoring of pressures should be done on a minimum of a monthly basis to ensure a static state. Additional fluid level measurements and pressure monitoring may be required if conditions warrant. The operator should keep the Division informed on the progress of the ROW and construction of the pipeline. Any gas produced, including gas used on lease, should be properly reported to the Division.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Pacific Energy & Mining Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (775) 852-7444		8. WELL NAME and NUMBER: 14-01
4. LOCATION OF WELL FOOTAGES AT SURFACE: 872 FSL 2304 FWL COUNTY: Grand		9. API NUMBER: 4301931450
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 24 21S 23E S		10. FIELD AND POOL, OR WILDCAT: Greater Cisco
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Test</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Surface Casing 8 5/8 inch casing set at 122 feet cemented to surface.
Production casing 4 1/2 inch 9.5# set at 984 feet. Cemented from bottom to 720 feet.

Annulus Pressure = 0 psi SFC
Casing Pressure = 30 psi PROD

No tubing in Hole.

Echometer used to determine depth to liquid level. Level at approximately 107 feet.

Fluid level is about 15 feet below TOC in surface casing. Perf are about 530-35 feet

Since there is no pressure on the Annulus, and the production string is cemented as is the surface casing, therefore there is no communication between the production casing and the annulus. Thus production casing integrity is assured.

*no record of fluid in hole; tbq changed 2009
dbq pulled 2/2009*

*TD 984'
Confused w/TA?
above cont? Perf doesn't match WCR's*

NAME (PLEASE PRINT) Tariq Ahmad

TITLE Petroleum Engineer

SIGNATURE

DATE 3/16/2011

(This space for State use only)

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Input Data (Provided By Operator)						Output Data					Data Comparative		
Sfc Csg Depth	Sfc Csg Psi	Prod Csg Psi	Tbg Psi	Fluid Level	Depth (Csg, Perf or Plug back)	Water Column Dx	Gas Head Psi	Water Head Psi	Normal Press @ Sfc Shoe	Formation Frac @ Sfc Shoe	Reservoir Pressure Total	Calc Press @ Sfc Shoe	Normal Reservoir Psi for Depth
122	0	30	0	113	984	871	11	377	53	85	418	45	426
Packer	No												
Fluid Gradient psi/ft Gas	0.433												
Gradient psi/ft Gas	0.1												
Frac Gradient psi/ft	0.7												
SCENARIOS													
#1	SFC CSG = 0 PSI MEANS NO COMMUNICATION, REASSURING INTEGRITY					Indicates Integrity?							
#2	If measured reservoir psi is equal to normal gradient reservoir pressure, well probably has integrity. If pressure is less, well could lack integrity explained by pressure bleeding into a shallower formation.					Yes							
#3	If calculated pressure is less than normal pressure at the surface shoe, then fluid is probably not moving into the formation.					Yes							
#4	If packer is in the hole, with psi on tbg and no psi on prod csg, this indicates tbg and packer integrity.					NA							

34

ER MODEL M V2.0.1
L NO: 5126
ER COMPANY
TTO LANE
FALLS, TEXAS 76302
+0 - 767 - 4334
+0 - 723 - 7507
INFO@ECHOMETER.COM

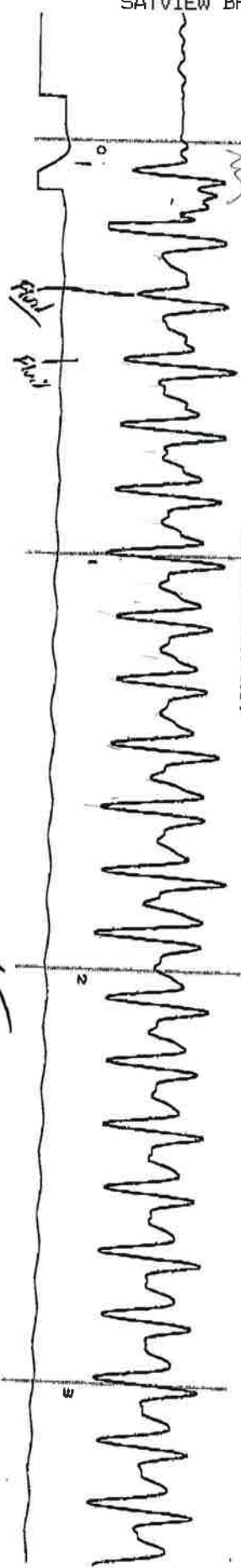
POWER ON
SELF TEST
PASS
REF 1.211 V
BATTERY
11.9 VOLTS

TURN
ON
CHART
DRIVE
TO
TEST
WELL

ECHOMETER COMPANY PHONE-940-767-4334

WELL 14-02
CASING PRESSURE 0
AP
AT
PRODUCTION RATE 0
JOINTS TO LIQUID
DISTANCE TO LIQUID
PBHP
SBHP
PROD RATE EFF, %
MAX PRODUCTION

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initial Kick?
→ possibly fluid?

ECHOMETER COMPANY PHONE-940-767-4334

no definite
large Kick;
possibly no
fluid in hole
or a lot of noise

Depth to Fluid $\frac{1}{16}$ sec. $\frac{V}{I}$
 $V = \frac{1348 \pm 16}{2} \approx 1084$

3 casing collar 120 ft

S.G. - 162
D. 3000

methane @ standard
 $\frac{1418 \times 16}{2} = 113$

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3/31/2011

Wellbore Diagram

r263

API Well No: 43-019-31450-00-00**Permit No:****Well Name/No:** 14-01**Company Name:** PACIFIC ENERGY & MINING CO**Location:** Sec: 14 T: 21S R: 23E Spot: SESW**Coordinates:** X: 643627 Y: 4315081**Field Name:** GREATER CISCO**County Name:** GRAND**String Information**

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	122	12		
SURF	122	8.625	23	122
HOL2	984	6.25		
PROD	984	4.5	9.5	984

Cement from 122 ft. to surface

Surface: 8.625 in. @ 122 ft.

Hole: 12 in. @ 122 ft.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	984	700	G	50
SURF	122	0	G	50

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
824	828			
938	956			

Formation Information

Formation	Depth
DKTA	425
MRSN	820

Cement from 984 ft. to 700 ft.

Production: 4.5 in. @ 984 ft.

Hole: 6.25 in. @ 984 ft.


TD: 984 TVD: 984 PBTD:

03/16/2011 16:31

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SATVIEW BROADBAND

PAGE 04

 ROCKY MOUNTAIN WIRELINE SERVICE		CEMENT BOND LOG GAMMA RAY / CCL	
COMPANY: COLORADO-UTAH NATURAL GAS INC. WELL: NO. #14-41 FIELD: GREATER CISCO COUNTY: GRAND LOCATION: STATE: UTAH		Other Logs	
SEC. 14 PERMANENT DATUM: G.L. Log Measured From: D.F. Drilling Measured From: D.F.	TWP. 21S RGE. 23E ELEV.: Above Perm Datum 10.0'	KB. D.F. GL	Elevation
Type Log: CBL/GR/CCL Run No.: ONE Date: 1/13/2006 Total Depth Driller: N/A Present Depth Driller: 1007' Total Depth RMWS: 1000' Survey Begins: 300' Survey Ends: 209 Truck No: 209 Location: GRAND JCT. Type Fluid In Hole: WATER Weight lb/gal.: N/A Fluid Level: FULL Max. Hole Temp.: 80 DEG. F.			
Recorded By: MCBROOM Witnessed By: MR. CHRISTENSEN			
BORE HOLE RECORD		CASING RECORD	
RUN BIT FROM TO	SIZE WT. FROM TO	T.D.	

EQUIPMENT DATA

TRUCK NO.: 209
 C.B.T. S/N: 2005-DSCBL
 GAMMA TOOL S/N: 1005
 OTHER: CUNG#14-03CH
 LINE, 9.5/GAIN, 9.3/TRIG T, -3214/CCLT, 100/GRT, 753/TT, -25/VDL, -15/GATE, 226, 39
 SC-TT, 200, 400/CCL, 5000, -5000/AMP, -1, -300/GR, 5, 135/DSMR=0.

REMARKS:

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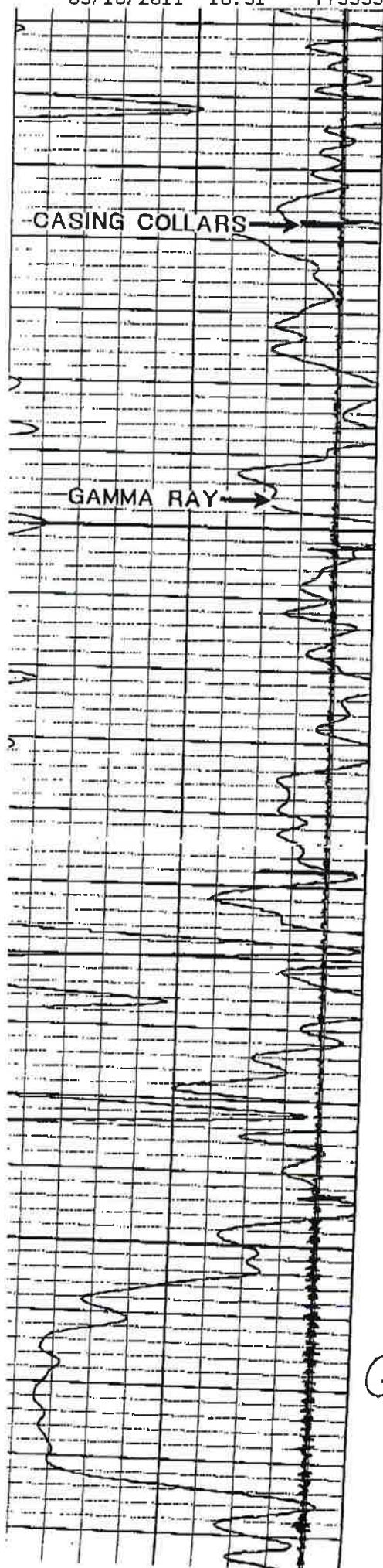
GAMMA RAY 150	PIPE AMPLITUDE	CASING PRES. (Surf.):	STATI
	TRAVEL TIME 200 0	MICROSECONDS 10	

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SATVIEW BROADBAND

PAGE 05



400

500

G-10

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MAR 18 2011

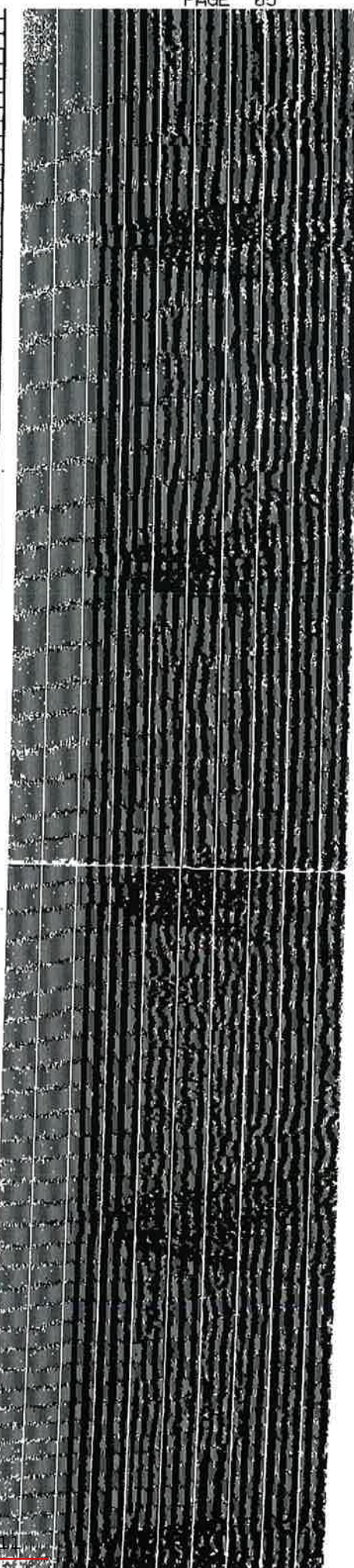
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May. 02, 2011

TRAVEL TIME →

AMPLITUDE →

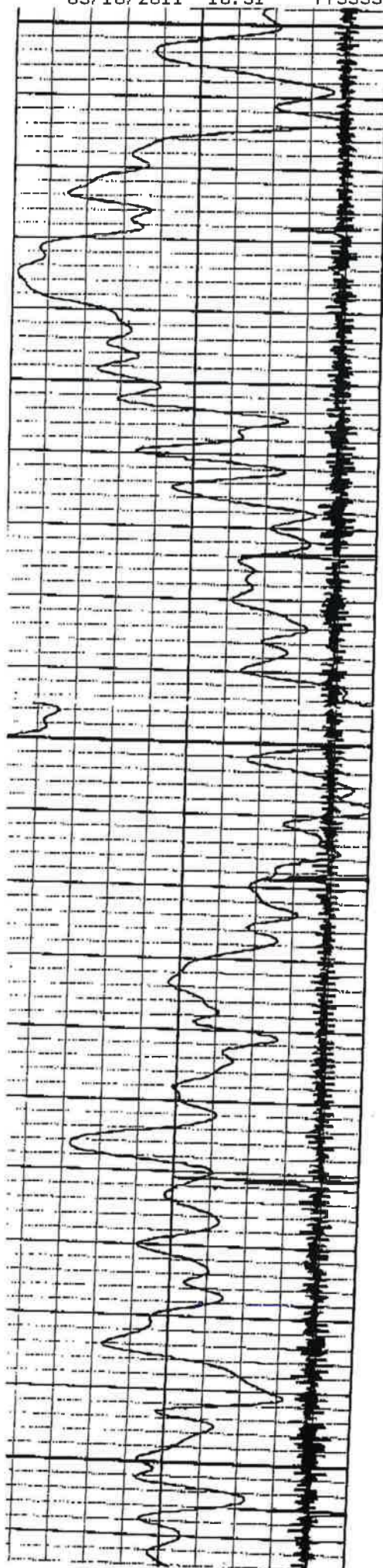


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SATVIEW BROADBAND

PAGE 06

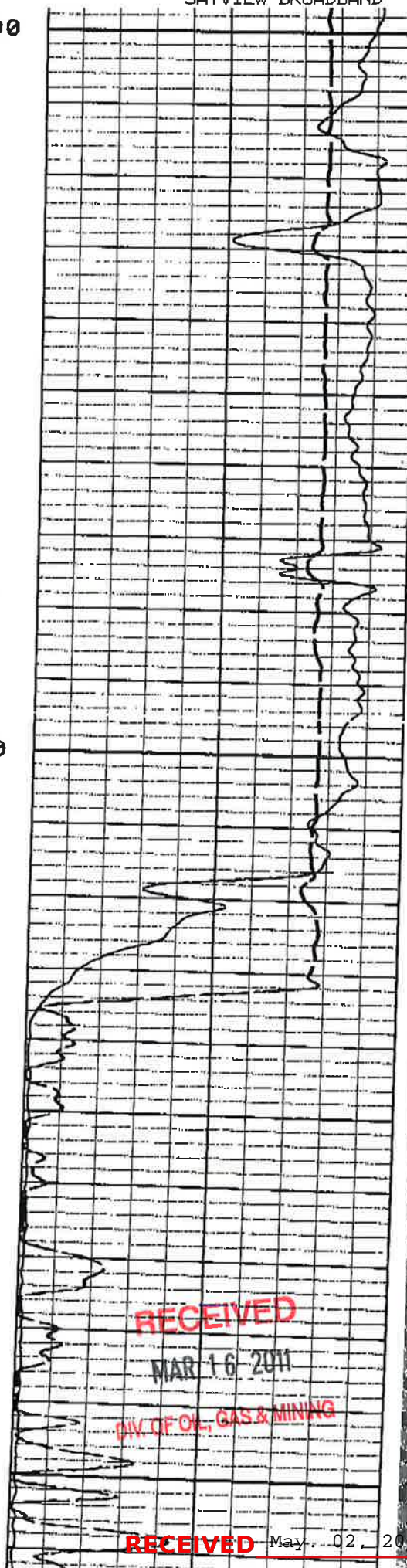


600

wt. around 2 top

700

800



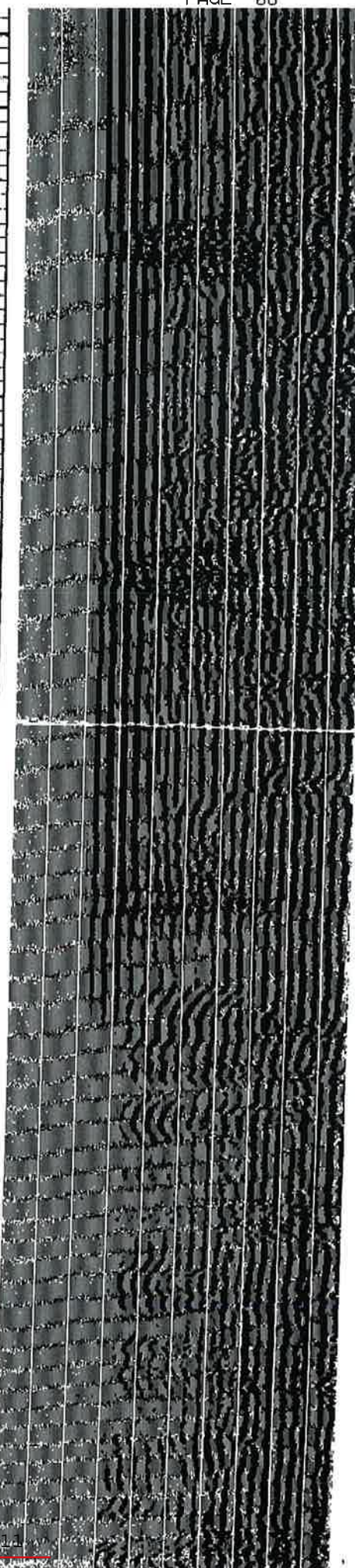
RECEIVED

MAR 16 2011

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May. 02, 2011



STANDARD FORM 299 (1/2006)
Prescribed by DOI/USDA/DOT
P.L. 96487 and Federal
Register Notice 5-22-95

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

FORM APPROVED
OMB NO. 1004-0189
Expires: November 30, 2008

FOR AGENCY USE ONLY

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

Application Number

Date filed

04/05/2011

1. Name and address of applicant (include zip code)

Mar/Reg Oil Company
PO Box 18148
Reno, NV 89511

2. Name, title, and address of authorized agent if different from Item 1 (include zip code)

Tariq Ahmad, Petroleum Engineer
PO Box 18148, Reno, NV 89511

3. TELEPHONE (area code)

Applicant **775 852 7444**

Authorized Agent
775 240 0769

4. As applicant are you? (check one)

- a. ☐ Individual
b. ☒ Corporation*
c. ☐ Partnership/Association*
d. ☐ State Government/State Agency
e. ☐ Local Government
f. ☐ Federal Agency

* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. ☒ New authorization
b. ☐ Renewing existing authorization No.
c. ☐ Amend existing authorization No.
d. ☐ Assign existing authorization No.
e. ☐ Existing use for which no authorization has been received*
f. ☐ Other*

* If checked provide details under Item 7

6. If an individual, or partnership are you a citizen(s) of the United States? ☒ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction (Attach additional sheets, if additional space is needed.)

We need to build a 2 inch natural gas pipeline from our existing ROW UTU 86731 and continue on the existing ROW owned by Pride Ventures UTU-64603. We will build on the ROW UTU 64603 a new line to connect our wells to the Meter in Section 5. See attached ROW Map.

8. Attach a map covering area and show location of project proposal

9. State or local government approval: ☐ Attached ☐ Applied for ☒ Not required

10. Nonreturnable application fee. ☒ Attached ☐ Not required

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

We own and operate oil and gas wells in the State of Utah and in Grand County. We have built and own natural gas pipelines. We own ROW UTU 041840.

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APR 14 2011

DIV. OF OIL, GAS & MINING

(Continued on page 2)

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13a. Describe other reasonable alternative routes and modes considered.

There are no alternative routes as this ROW already has a pipeline.

b. Why were these alternatives not selected?

This route is the most economical and is has an existing pipeline therefore there will be no new disturbances

c. Give explanation as to why it is necessary to cross Federal Lands

Our natural gas wells are located on both Federal and State lands

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name)

None

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

a) We require this ROW in order to produce natural gas into the existing gas gathering system owned by Elk Resources.

b) Additional production will provide additional revenues to the State and Federal Governments in form of Royalties and Taxes.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

None, this pipeline is following an existing pipeline.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

None as having this pipeline will be on existing ROW that already has a pipeline.

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

None. The existing line has been on this location for decades.

19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

None

20. Name all the Department(s)/Agency(ies) where this application is being filed.

Bureau of Land Management, Moab, Utah

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Date **04/05/2011**

Title 18, U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

(SF-299, page 2)

RECEIVED May. 02, 2011

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

GENERAL INFORMATION ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
4. Systems for the transmission and distribution of electric energy.
5. Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
6. Improved rights-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application must be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
Federal Office Building, P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847 (or a local Forest Service Office)

Department of the Interior
Bureau of Indian Affairs (BIA)
Juneau Area Office
9109 Mendenhall Mall Road, Suite 5, Federal Building Annex
Juneau, Alaska 99802
Telephone: (907) 586-7177

Bureau of Land Management (BLM)
222 West 7th Ave., Box 13
Anchorage, Alaska 99513-7599
Telephone: (907) 271-5477 (or a local BLM Office)

National Park Service (NPS)
Alaska Regional Office, 2525 Gambell St., Rm. 107
Anchorage, Alaska 99503-2892
Telephone: (907) 257-2585

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907) 786-3440

Note-Filings with any Interior agency may be filed with any office noted above or with the: Office of the Secretary of the Interior, Regional Environmental Officer, Box 120, 1675 C Street, Anchorage, Alaska 99513.

(For supplemental, see page 4)

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, 222 West 7th Ave., Box 14
Anchorage, Alaska 99513-7587
Telephone: (907) 271-5285

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS (Items not listed are self-explanatory)

Item

- 7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- 8 Generally, the map must show the section(s), township(s), and ranges within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 - The responsible agency will provide additional instructions.
- 13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.
- 14 The responsible agency will provide instructions.
- 15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.
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Application must be signed by the applicant or applicant's authorized representative.

If additional space is needed to complete any item, please put the information on a separate sheet of paper and identify it as "Continuation of Item".

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide additional instructions	CHECK APPROPRIATE BLOCK	
I - PRIVATE CORPORATIONS	ATTACHED	FILED*
a. Articles of Incorporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Corporation Bylaws	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
II - PUBLIC CORPORATIONS		
a. Copy of law forming corporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Proof of organization	<input type="checkbox"/>	<input type="checkbox"/>
c. Copy of Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
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e. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	<input type="checkbox"/>	<input type="checkbox"/>
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
a. Articles of association, if any	<input type="checkbox"/>	<input type="checkbox"/>
b. If one partner is authorized to sign, resolution authorizing action is	<input type="checkbox"/>	<input type="checkbox"/>
c. Name and address of each participant, partner, association, or other	<input type="checkbox"/>	<input type="checkbox"/>
d. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	<input type="checkbox"/>	<input type="checkbox"/>

* If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.

NOTICES

NOTE: This applies to the Department of the Interior/Bureau of Land Management (BLM).

The Privacy Act of 1974 provides that you be furnished with the following information in connection with the information provided by this application for an authorization.

AUTHORITY: 16 U.S.C. 310 and 5 U.S.C. 301.

PRINCIPAL PURPOSE: The primary uses of the records are to facilitate the (1) processing of claims or applications; (2) recordation of adjudicative actions; and (3) indexing of documentation in case files supporting administrative actions.

ROUTINE USES: BLM and the Department of the Interior (DOI) may disclose your information on this form: (1) to appropriate Federal agencies when concurrence or supporting information is required prior to granting or acquiring a right or interest in lands or resources; (2) to members or the public who have a need for the information that is maintained by BLM for public record; (3) to the U.S. Department of Justice, court, or other adjudicative body when DOI determines the information is necessary and relevant to litigation; (4) to appropriate Federal, State, local, or foreign agencies responsible for investigating, prosecuting violation, enforcing, or implementing this statute, regulation, or order; and (5) to a congressional office when you request the assistance of the Member of Congress in writing.

EFFECT OF NOT PROVIDING THE INFORMATION: Disclosing this information is necessary to receive or maintain a benefit. Not disclosing it may result in rejecting the application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

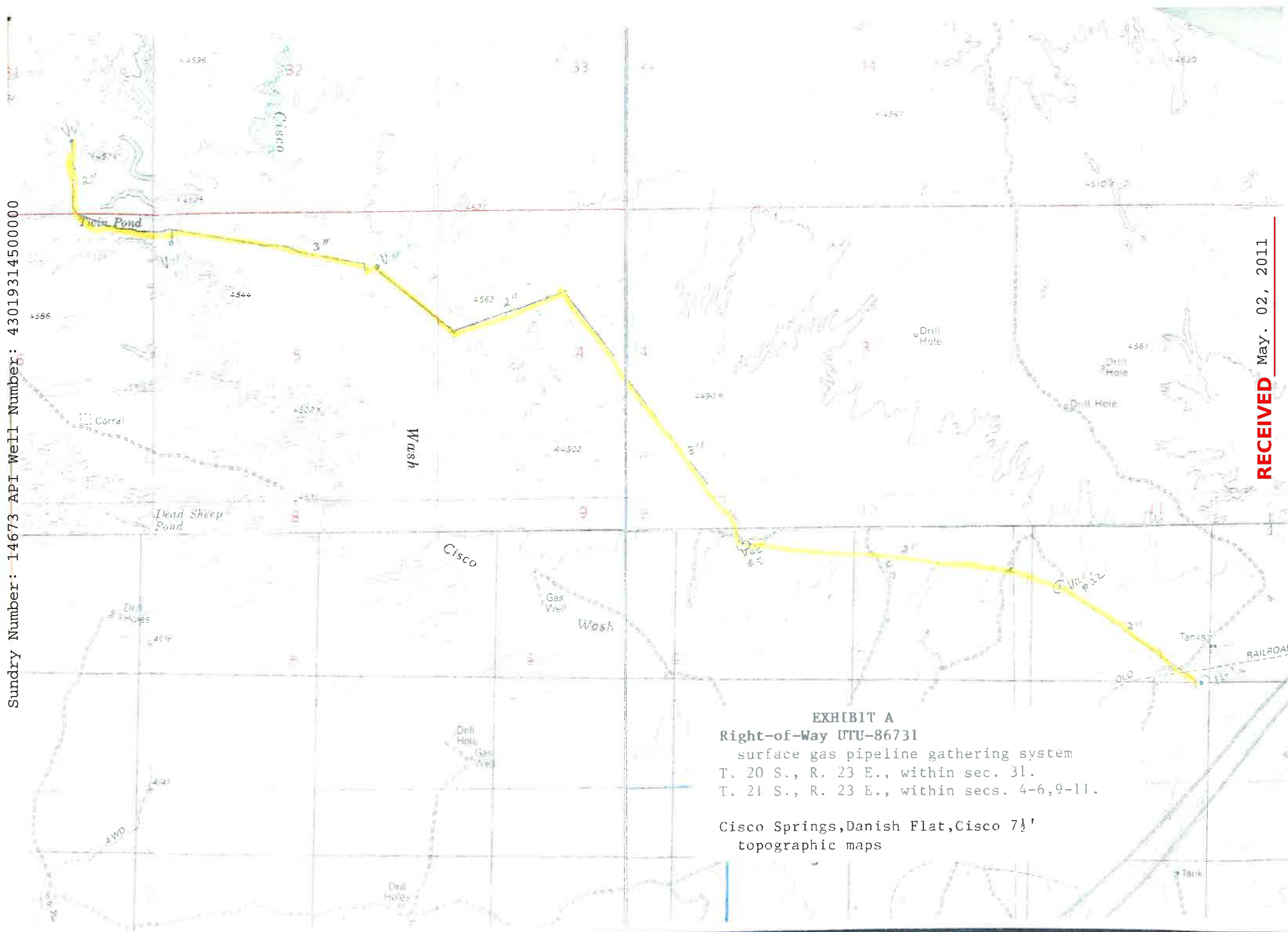
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BURDEN HOURS STATEMENT: The public burden for this form is estimated at 25 hours per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to: U.S. Department of the Interior, Bureau of Land Management (1004-0189), Bureau Information Collection Clearance Officer (WO-630) 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

A reproducible copy of this form may be obtained from the Bureau of Land Management, Land and Realty Group, 1620 L Street, N.W., Rm. 1000 LS, Washington, D.C. 20036.



NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

Operator Name: PACIFIC ENERGY & MINING CO.

Immediate Action: For the wells subject to this notice, Pacific shall fulfill full cost bonding requirements for each well. Pacific shall also submit all information as required by R649-3-36 or plug and abandon or place the well(s) on production.

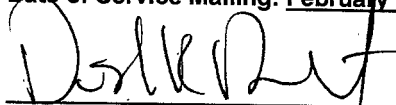
*** Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: March 15, 2013

Date of Service Mailing: February 5, 2013

Certified Mail No.: 7010 1670 0001 4810 3805



Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files
SITLA

1/2013

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Oil Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 18148 , Reno, NV, 89511	8. WELL NAME and NUMBER: 14-01
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0872 FSL 2304 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 14 Township: 21.0S Range: 23.0E Meridian: S	9. API NUMBER: 43019314500000
PHONE NUMBER: 775 240-0769 Ext	9. FIELD and POOL or WILDCAT: GREATER CISCO
COUNTY: GRAND	STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 5/1/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> APD EXTENSION
<input type="checkbox"/> SPUD REPORT Date of Spud:	OTHER: <input style="width: 100px;" type="text" value="Pipeline Connection"/>
<input type="checkbox"/> DRILLING REPORT Report Date:	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Pacific Energy had applied to the BLM for a ROW to connect the wells, the application was made in April 2011. The BLM has assigned a ROW number UTU88715 to the ROW, however, the ROW has not yet been granted, it is expected that the ROW will be granted within the next 90 days. Attached is the Pipeline Tap Agreement between Summit and Pacific Energy. Since the ROW was not granted, Pacific was not able to connect to the pipeline. Once the ROW is granted, Pacific will immediately commence construction of the pipeline and will commence sales of Natural gas from the well See attached letter from SEP Cisco Dome LLC.

**Accepted by the
Utah Division of
Oil, Gas and Mining**

Date: March 07, 2013

By: *Derek Duff*

NAME (PLEASE PRINT) Tariq Ahmad	PHONE NUMBER 775 852-7444	TITLE Petroleum Engineer
SIGNATURE N/A	DATE 2/11/2013	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019314500000

By April 1, 2013, the operator should provide information showing the well has integrity and will not be a threat to public health and safety or the environment while the pipeline is constructed and the well put on production. This could include a pressure test or at a minimum casing pressures and possibly fluid levels on a regular basis to ensure well is in a static state if this data supports wellbore integrity.

STANDARD FORM 299 (1/2006)
Prescribed by DOI/USDA/DOT
P.L. 96487 and Federal
Register Notice 5-22-95

**APPLICATION FOR TRANSPORTATION AND
UTILITY SYSTEMS AND FACILITIES
ON FEDERAL LANDS**

FORM APPROVED
OMB NO. 1004-0189
Expires: November 30, 2008

FOR AGENCY USE ONLY

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

Application Number

Date filed

04/05/2011

1. Name and address of applicant (include zip code)

**Mar/Reg Oil Company
PO Box 18148
Reno, NV 89511**

2. Name, title, and address of authorized agent if different from Item 1 (include zip code)

**Tariq Ahmad, Petroleum Engineer
PO Box 18148, Reno, NV 89511**

3. TELEPHONE (area code)

Applicant **775 852 7444**

Authorized Agent

775 240 0769

4. As applicant are you? (check one)

- a. ☐ Individual
b. ☒ Corporation*
c. ☐ Partnership/Association*
d. ☐ State Government/State Agency
e. ☐ Local Government
f. ☐ Federal Agency

* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. ☒ New authorization
b. ☐ Renewing existing authorization No.
c. ☐ Amend existing authorization No.
d. ☐ Assign existing authorization No.
e. ☐ Existing use for which no authorization has been received*
f. ☐ Other*

* If checked provide details under Item 7

6. If an individual, or partnership are you a citizen(s) of the United States? ☒ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction (Attach additional sheets, if additional space is needed.)

We need to build a 2 inch natural gas pipeline from our existing ROW UTU 86731 and continue on the existing ROW owned by Pride Ventures UTU-64603. We will build on the ROW UTU 64603 a new line to connect our wells to the Meter in Section 5. See attached ROW Map.

8. Attach a map covering area and show location of project proposal

9. State or local government approval: ☐ Attached ☐ Applied for ☒ Not required

10. Nonreturnable application fee. ☒ Attached ☐ Not required

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

We own and operate oil and gas wells in the State of Utah and in Grand County. We have built and own natural gas pipelines. We own ROW UTU 041840.

RECEIVED

APR 14 2011

DIV. OF OIL, GAS & MINING

(Continued on page 2)

This form is authorized for local reproduction.

May. 02, 2011

13a. Describe other reasonable alternative routes and modes considered.

There are no alternative routes as this ROW already has a pipeline.

b. Why were these alternatives not selected?

This route is the most economical and is has an existing pipeline therefore there will be no new disturbances

c. Give explanation as to why it is necessary to cross Federal Lands

Our natural gas wells are located on both Federal and State lands

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name)

None

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

a) We require this ROW in order to produce natural gas into the existing gas gathering system owned by Elk Resources.

b) Additional production will provide additional revenues to the State and Federal Governments in form of Royalties and Taxes.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

None, this pipeline is following an existing pipeline.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

None as having this pipeline will be on existing ROW that already has a pipeline.

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

None. The existing line has been on this location for decades.

19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

None

20. Name all the Department(s)/Agency(ies) where this application is being filed.

Bureau of Land Management, Moab, Utah

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Date **04/05/2011**

Title 18, U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

(SF -299, page 2)

May. 02, 2011

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

GENERAL INFORMATION ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
4. Systems for the transmission and distribution of electric energy.
5. Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
6. Improved rights-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application must be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
Federal Office Building, P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847 (or a local Forest Service Office)

Department of the Interior
Bureau of Indian Affairs (BIA)
Juneau Area Office
9109 Mendenhall Mall Road, Suite 5, Federal Building Annex
Juneau, Alaska 99802
Telephone: (907) 586-7177

Bureau of Land Management (BLM)
222 West 7th Ave., Box 13
Anchorage, Alaska 99513-7599
Telephone: (907) 271-5477 (or a local BLM Office)

National Park Service (NPS)
Alaska Regional Office, 2525 Gambell St., Rm. 107
Anchorage, Alaska 99503-2892
Telephone: (907) 257-2585

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907) 786-3440

Note-Filings with any Interior agency may be filed with any office noted above or with the: Office of the Secretary of the Interior, Regional Environmental Officer, Box 120, 1675 C Street, Anchorage, Alaska 99513.

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, 222 West 7th Ave., Box 14
Anchorage, Alaska 99513-7587
Telephone: (907) 271-5285

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS (Items not listed are self-explanatory)

Item

- 7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- 8 Generally, the map must show the section(s), township(s), and ranges within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 - The responsible agency will provide additional instructions.
- 13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.
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(For supplemental, see page 4)

(SF-299, page 3)

SUPPLEMENTAL

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d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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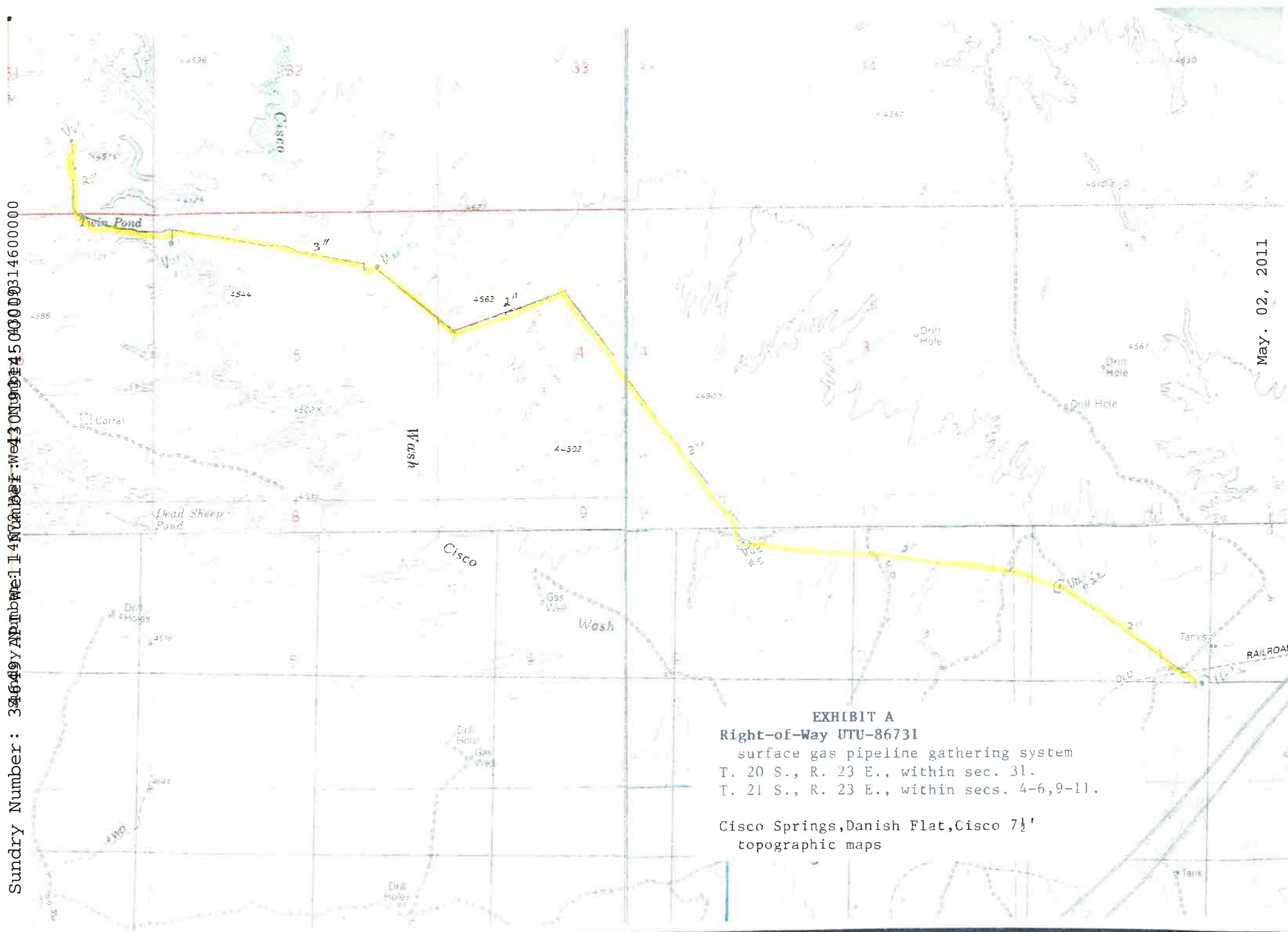


EXHIBIT A
Right-of-Way UTU-86731
surface gas pipeline gathering system
T. 20 S., R. 23 E., within sec. 31.
T. 21 S., R. 23 E., within secs. 4-6,9-11.

Cisco Springs, Danish Flat, Cisco 7½'
topographic maps

PIPELINE TAP AGREEMENT

THIS PIPELINE TAP AGREEMENT ("Agreement") is made effective as of December 19, 2011 ("Effective Date"), notwithstanding the actual date of execution and acknowledgement, by and between Pacific Energy & Mining Company ("PEMC"), whose address is 3550 Brown Way #134, Reno NV 89511 and SEP - CISCO DOME, LLC ("SEP"), whose address is 1245 Brickyard Rd. Ste 210, Salt Lake City, Utah, 84106 sometimes referred to hereinafter collectively as "the Parties" or individually as a "Party," and is based on the following premises:

WHEREAS, PEMC owns natural gas wells located in or near Section 11, Township 21 South, Range 23 East, SLM, Grand County, Utah (the "Wells"); and

WHEREAS; SEP owns a pipeline transmission system located in the general area where the Wells are located; and

WHEREAS; PEMC desires to tap the SEP pipeline under the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and in further consideration of the premises, and of the mutual covenants and agreements herein contained, the Parties agree as follows:

AGREEMENT

1. Pipeline Tap. SEP agrees to provide a pipeline tap to PEMC at an interconnect point location to be determined and approved by SEP in its sole discretion for the purposes of transporting natural gas from the Wells.

2. Costs and Expenses of Pipeline Connecting to SEP's Transmission System. PEMC shall be solely responsible for the permitting and construction of a pipeline at its sole cost and expense from the Wells to the tap location approved by SEP. PEMC will indemnify and hold SEP harmless for all expenses and costs associated with the construction of a pipeline from the Wells to the approved tap location.

3. Costs and Expense of Tap and Associated Measurement Equipment. The design and construction of the pipeline tap shall be determined at the sole discretion of SEP. SEP shall perform all work associated with the pipeline tap. The total estimated cost of the tap and all associated equipment including metering equipment shall be paid by PEMC.

4. No Right to Transport or Sell Gas. The Parties agree that all pipeline facilities, tap facilities and associated equipment shall remain the sole and exclusive property of SEP. The Parties agree that SEP shall not be required and is not agreeing herein to purchase or transport natural gas owned by PEMC either from the Wells or elsewhere. In the event SEP desires in its

sole discretion to allow PEMC to transport natural gas through SEP's transmission system, the Parties shall reach a subsequent and definitive agreement concerning the particulars regarding transporting natural gas before any natural gas flows from the Wells through the transmission system.

5. Indemnities. PEMC shall reimburse SEP for all damages caused to SEP's facilities as well as indemnify and hold SEP harmless from all liabilities and claims for damages to persons or properties relating to PEMC's construction of pipeline leading to the approved tap location.

6. Term. This Agreement becomes effective on the date first above written and shall terminate upon the expiration of ~~three (3)~~ ^{54 (6)} months from the date of this Agreement. 7. 4

7. Assignment. PEMC shall not assign or otherwise transfer all of or any part of this Agreement without the prior written consent of SEP. Any transfer made without such consent shall be void. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

8. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any prior agreements with respect hereto (whether written or oral).

9. Notices. All notices which are required or may be given pursuant to this Agreement must be given in writing and delivered personally, by nationally recognized courier, email, or by registered or certified mail, postage prepaid, as follows:

If to SEP

SEP - Cisco Dome, LLC
1245 E. Brickyard Rd., Suite 210
Salt Lake City, UT 84106
Email: steve@summitcorp.net

If to PEMC

P.O. 18142
Perm NW 87511
Email Terode yahoo.com

Either Party may change its address for notice by notice to the other in the manner set forth above. All notices shall be deemed to have been duly given at the time of receipt by the Party to which such notice is addressed.

10. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, excluding any conflict of law rules which

may require the application of the laws of another jurisdiction. Venue for any dispute hereunder shall be deemed proper in the courts of Salt Lake County, Utah.

11. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

12. Amendments. No provisions of this Agreement may be amended or waived except in writing signed by both Parties.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute but one agreement.

14. Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

15. Waivers. Any failure by any Party or Parties to comply with any of its or their obligations, agreements or conditions herein contained may be waived by the Party or Parties to whom such compliance is owed by an instrument signed by such Party or Parties and expressly identified as a waiver, but not in any other manner. No waiver of, or consent to a change in, any of the provisions of this Agreement shall be deemed or shall constitute a waiver of, or consent to a change in, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

16. Limitation of Damages. Notwithstanding anything to the contrary contained herein, except in connection with any such damages claimed by persons other than the Parties or their affiliates for which indemnification is available under the terms of this Agreement, PEMC shall not be entitled to consequential, punitive or exemplary damages in connection with this Agreement and the transactions contemplated hereby and, except as otherwise provided in this sentence, PEMC hereby expressly waives any right to consequential, punitive or exemplary damages in connection with this Agreement and the transactions contemplated hereby.

IN WITNESS WHEREOF, the Parties have made and executed this Agreement effective as of the date first above written.

SEP - Cisco Dome, LLC

By 

Date

12-23-11

Pacific Energy & Mining Company

By 

Date

12/23/11

Applied Technology Services
1210 D Street, Rock Springs, WY 82901 (307)352-7292

Meter Name: Cullen Govt
Field Name: CISCO
Analyst: MCMILLAN

Meter Loc. #: PEMCCG Report Date: 07/12/2011 14:00:00
Cylinder Pressure: 0 psig Sample Date(s): 07/12/2011
Line Pressure: 21 psig Flowing Temp: 78° F

Gas Analysis by Chromatograph

NAME	MOLE%	BTU	SG	GPM
Nitrogen	4.2008	0	0.0406	0
Methane	86.8453	879.1668	0.481	0
CO2	0.0565	0	0.0009	0
Ethane	4.4672	79.2389	0.0464	1.1944
H2S	0	0	0	0
Propane	1.9575	49.3666	0.0298	0.5392
i-Butane	0.4612	15.0325	0.0093	0.1509
n-Butane	0.7002	22.8955	0.0141	0.2207
i-Pentane	0.3128	12.5438	0.0078	0.1144
n-Pentane	0.4132	16.6023	0.0103	0.1497
Hexanes	0.3769	17.9665	0.0112	0.155
Heptanes	0.1563	8.6205	0.0054	0.0721
Octanes	0.0512	3.2069	0.002	0.0262
Nonanes	0.0009	0.0631	0	0.0005
Ideal Total	100.0	1104.7033	0.6588	2.623

Gross BTU/Real Cu Ft. @60 deg F

Pressure Base =	14.73	14.65	15.025
Dry =	1107.6664	1101.6345	1129.9105
Saturated =	1089.6714	1083.6376	1111.9225
Actual BTU =	1107.6664	1101.6345	1129.9105
Real S. G. =	0.660282	0.660273	0.660318
Compressibility	0.997325	0.997339	0.997271

Gasoline Content

Pressure Base = 14.73

Propane GPM = 0.5392

Butane GPM = 0.3716

14# Gasoline GPM = 0.5612

26# Gasoline GPM = 0.7921

Total GPM = 2.623

Sulfur Content

Mercaptans ppm = N/A

H2S ppm = N/A

Dewpoints

H2O #/mmcf = N/A

Hydrocarbon °F = N/A

@ psig = N/A

Comments

SEP Cisco Dome LLC
1245 Brickyard Rd. Suite 210
Salt Lake City, Utah 84106
February 11, 2013

Re: Sweetheart 7 Well
Little Boy 2 Wells
1401 Wells

Pacific Energy Mining Company
Tariq Ahmad
PO Box 18148
Reno, Nevada 89511

Tariq,

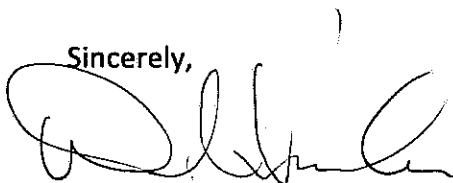
Thanks for your patience in waiting for us to get the Cisco Field in a condition where we can take your natural gas from the above listed wells that we have been discussing for the past year or so. Let me give you a brief report.

AS we have discussed the wells, amine plant, processing equipment, generator and gathering system needed to be either up-graded, worked over, replaced, fixed and put back into service. We have since worked on the following and are close to being able to take your gas.

We have replaced the amine plant with a new plant. We have been working on the gathering system as you know it is large. We have done up grades to lines, compression, and other equipment as well.

We are close to being able to take your gas now and we will be in touch shortly.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Knudson', written over the word 'Sincerely,'.

David Knudson

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 18148 , Reno, NV, 89511		8. WELL NAME and NUMBER: 14-01
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0872 FSL 2304 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESW Section: 14 Township: 21.0S Range: 23.0E Meridian: S		9. API NUMBER: 43019314500000
PHONE NUMBER: 775 240-0769 Ext		9. FIELD and POOL or WILDCAT: GREATER CISCO
COUNTY: GRAND		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input checked="" type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/20/2013	OTHER: <input type="text" value="Integrity"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> DRILLING REPORT Report Date:	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Measured fluid level in well, 10 psi on Production casing, (no tubing in hole.) Estimated fluid level from surface to be 81 feet. The fluid level has increased from 113 feet from surface to 81 feet since march 16, 2011. Lack of pressure on surface casing indicates no communication between production casing and surface casing. Fluid level was measured by a wireline. Thus the integrity of production casing is confirmed		
NAME (PLEASE PRINT) Tariq Ahmad		PHONE NUMBER 775 852-7444
SIGNATURE N/A		TITLE Petroleum Engineer
DATE 3/25/2013		APPROVED BY THE Utah Division of Oil, Gas and Mining Date: April 10, 2013 By: <u>D. K. Duff</u>



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43019314500000

Extension Valid Through 7/1/2013 to allow time for completion of the pipeline and marketing of the gas. Periodic monitoring of casing pressures should be conducted throughout this time to ensure continued integrity. If change in pressure is found on the casing, contact the Division immediately. Approvals beyond the extension date will not be granted without the periodic monitoring.

Input Data (Provided By Operator)						Output Data						Data Comparative	
Sfc Csg Depth	Sfc Csg Psi	Prod Csg Psi	Tbg Psi	Fluid Level	Depth (Csg, Perf or Plug back)	Water Column Dx	Gas Head Psi	Water Head Psi	Normal Press @ Sfc Shoe	Formation Frac @ Sfc Shoe	Reservoir Pressure Total	Calc Press @ Sfc Shoe	Normal Reservoir Psi for Depth
122	0	10	10	83	824	741	8	321	53	85	339	35	357
Packer Fluid Gradient psi/ft	n												
Gas Gradient psi/ft	0.433												
Frac Gradient psi/ft	0.1												
	0.7												
SCENARIOS													
#1	SFC CSG = 0 PSI MEANS NO COMMUNICATION, REASSURING INTEGRITY					Indicates Integrity?		Yes					
#2	If measured reservoir psi is equal to normal gradient reservoir pressure, well probably has integrity. If pressure is less, well could lack integrity explained by pressure bleeding into a shallower formation.					Indicates Integrity?		Yes					
#3	If calculated pressure is approximately equal to normal pressure at the surface shoe, then fluid could be moving into the formation.					Indicates Integrity?		No					
#4	If packer is in the hole, with psi on tbg and no psi on prod csg, this indicates tbg and packer integrity.					Indicates Integrity?		No					

RECEIVED

JAN 15 2014

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO 18148 CITY RENO STATE NV ZIP 89511		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 872 FSL 2304 FWL		8. WELL NAME and NUMBER: Sweetheart 14-01
PHONE NUMBER: (775) 852-7444		9. API NUMBER: 4301931450
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 14 21S 23E S		10. FIELD AND POOL, OR WILDCAT: Greater Cisco
COUNTY: GRAND		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of Operator to be effective of the 1st day of November, 2013 as follows:

Previous Operator: Pacific Energy & Mining Co., PO Box 18148, Reno, NV 89511 Ph: 775-852-7444

By: Tariq Ahmad Date: 10/15/13
Tariq Ahmad, President

New Operator: Hinto Energy, Inc., 7609 Ralston Road, Arvada, CO 80202 Ph: 303 422-8127

By: George Harris Dated: 10/31/13
George Harris, CFO

Utah Bond _____

NAME (PLEASE PRINT) Tariq Ahmad TITLE President
SIGNATURE _____ DATE 10/15/2013

(This space for State use only)

APPROVED

MAR 19 2014

DIV. OIL, GAS & MINING
BY: Rachael Medina

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

11/1/2013

FROM: (Old Operator): Pacific Energy & Mining Company N7655 P.O. Box 18148 Reno, NV. 89511 Phone: 1 (775) 852-7444	TO: (New Operator): Hinto Energy, Inc N4070 7609 Ralston Rd Arvada, CO 80202 Phone: 1 (303) 422-8127
---	---

CA No.				Unit:	N/A				
WELL NAME	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
NUGGETT 14-4	14	210S	230E	4301930423	9075	Fee	OW	P	
SWEETHEART 14-02	14	210S	230E	4301931451	15005	Fee	OW	P	
SWEETHEART 5A	24	210S	230E	4301931417	14866	State	OW	S	
SWEETHEART 2A	24	210S	230E	4301931418	14867	State	OW	S	
SWEETHEART 7	24	210S	230E	4301931420	14910	State	OW	S	
14-01	14	210S	230E	4301931450	15121	Fee	OW	S	
LITTLE BOY 2	24	210S	230E	4301931460	15329	State	GW	S	

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/15/2014
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 1/15/2014
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/17/2014
- Is the new operator registered in the State of Utah: Business Number: 8436345-0143
- (R649-9-2) Waste Management Plan has been received on: Not Yet
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 3/19/2014
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM N/A BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 3/19/2014
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 3/19/2014
- Bond information entered in RBDMS on: 3/19/2014
- Fee/State wells attached to bond in RBDMS on: 3/19/2014
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: Yes

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: N/A
- Indian well(s) covered by Bond Number: N/A
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number See Comments
- The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 3/19/2014

COMMENTS:

NUGGETT 14-4 Bond: 4049504683
 SWEETHEART 14-02 Bond: 4049504741
 SWEETHEART 5A Bond: 4049504709
 SWEETHEART 2A Bond: 4049504691
 SWEETHEART 7 Bond: 4049504725
 14-01 Bond: 4049504733
 LITTLE BOY 2 Bond: 4049504717

HINTO
ENERGY
7609 Ralston Road
Arvada, CO 80002

February 7, 2014

Via E-Mail

Ms. Rachel Medina
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801
rachelmedina@utah.gov

Re: Plans for Wells

Dear Ms. Medina:

Per your request, please find our estimated plugging costs for the listed wells.

<u>API Number</u>	<u>Name</u>	<u>Estimated Plugging Costs</u>
43-019-314	Sweetheart 5A	\$6,000.00
43-019-31418	Sweetheart 2A	\$6,000.00
43-019-31420	Sweetheart 7	\$6,000.00
43-019-31450	Sweetheart 14-01	\$8,000.00
43-019-31460	Little Boy 2	\$4,000.00

If you have any questions, please do not hesitate to contact myself or Ms. Kampmann.

Sincerely,



George Harris
Chief Executive Officer



February 5, 2014

Via E-Mail

Ms. Rachel Medina
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801
rachelmedina@utah.gov

Re: Plans for Wells

Dear Ms. Medina:

Per your request, below is a status and plans as to the wells that Hinto Energy, Inc. has requested to become the operator of. Please note that for the last two months, there has been no gas production due to the unavailability of the Cisco Gathering Facility. We have attached correspondence received from Summit Operating, LLC, confirming that such facility will be available to accept gas, we expect to begin producing gas for sale within 60 days of the Summit plant start-up, as we have to replace some meters, test gas lines and re-test gas inert contents. In addition, we are developing a super perforating technic that uses high pressure water jets to drill lateral perforations from 30 to 300 feet out from the well bore. Given weather and rig availability, we intend to complete this work within 180 days to bring wells Sweetheart 14-01, Sweetheart 14-02 and Little Boy 2 back on production as described below.

<u>API Number</u>	<u>Name</u>	<u>Status - Plan</u>
43-019-314	Sweetheart 5A	Is producing.
43-019-30423	Nugget Fee 14-4	Is producing.
43-019-31033	Gilbraltor #1	After reviewing the State of Utah's records we have discovered that the well status according the state is Shut In. The well is producing and we will be filing a sundry notice to change its status.
43-019-31418	Sweetheart 2A	We will re-work the well and expect to have it back on production in April 2014.



7609 Ralston Road
Arvada, CO 80002

<u>API Number</u>	<u>Name</u>	<u>Status - Plan</u>
43-019-31420	Sweetheart 7	We have been re-working the well, but have pulled off due to weather and expect to have it back on production in April 2014.
43-019-31450	Sweetheart 14-01	We intend to water jet the 938 to 948 zones and bring the well back on production.
43-019-31451	Sweetheart 14-02	We intend to water jet zones 665-675 and zones 960-970 and put the well back on production.
43-019-31460	Little Boy 2	We intend to water jet the well and have the well back on for production of gas.

If you have any questions, please do not hesitate to contact myself or Ms. Kampmann.

Sincerely,

A handwritten signature in black ink that reads "George Harris". The signature is written in a cursive, flowing style.

George Harris
Chief Executive Officer

Little Boy 2

Volume	Diameter	Length	Perfs	Cement Top	Area	Volume(cf)	ft/cuft	No Sx	
Casing	4.5	120		Surface	0.11	13.25	9.06	11.52	Cement bottom to top with 22 sx cement
Hole	3.5	180	180	120 to Surface	0.07	12.02	14.97	10.45	
							Total	21.97	
<hr/>									
					7A				
Surface	8.625	137		Surface	0.41	55.56	0.02	48.31	First plug 640-420 10 sx cement. Perf 240 feet
Prod	4.5	200	520-530	240	0.11	22.08	0.05	19.20	Second Plug pump 58 sx circ up annulus
OH	3.875	189		0	0.08	15.47	0.06	13.45	
							Total	80.96	
<hr/>									
					5A				
Casing	8.625	135		Surface	0.41	54.75	0.02	57.00	Set fist cement plug 24 sx from 560 to 305 feet
Prod	4.5	255	405-415;532-542	220	0.11	28.15	0.04	24.48	<u>perf at 135 pump 57 sx cir to surface</u>
							Total	81.48	
<hr/>									
					14-01				
Surface	8.625	122		Surface	0.41	49.47	0.02	43.02	Plug 1 984-838 38 sx
Prod	4.5	984	938-956;824-828	700	0.11	108.62	0.01	94.46	Perf 122 25sx circulate to surface
<hr/>									
					2A				
Surface	8.625	122		Surface	0.41	49.47	0.02	43.02	Plug 1 800-576 22 sx. Perf 122 Plug 2 43 sx
Prod	4.5	800	766-776;670-676	320	0.11	88.31	0.01	76.79	

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

These wells are in violation of R-649-3-36 as stated above, therefore Hinto is required to plug these wells or meet the requirements showing good cause and wellbore integrity. Also Hinto is required to put up full cost bonding for the wells in violation above per R649-3-4. It is mandatory that Hinto submit all required documentation and plans to the Division by the compliance deadline below.

Immediate Action: For the wells subject to this notice, Hinto shall fulfill full cost bonding. Hinto shall also submit plugging plans for the wells contained in this Notice.

*** Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions and requests for bond forfeiture and civil penalties.

Compliance Deadline: APRIL 30, 2015

Date of Service Mailing: March 24, 2015 Certified Mail No.: 7011 2970 0001 8828 1115



Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files
LaVonne Garrison, SITLA

1/2013



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 12, 2015

Certified Mail 7014 2870 0001 4232 4412

DIVISION WELL PLUGGING ORDER

Mr. George Harris
Hinto Energy
5350 S. Roslyn, Ste 400
Greenwood Village, CO 80111-2125

LA 215 23E

Subject: Division Order to Plug and Abandon the Sweetheart 7, Little Boy 2, 14-01, Sweetheart 5A, and Sweetheart 2A wells operated by Hinto Energy

Dear Mr. Harris:

The Division of Oil, Gas and Mining ("Division") issued Hinto Energy ("Hinto") a Notice of Violation for the five wells ("subject wells") listed below on March 24 and March 30, 2015. Hinto has not responded to the NOV. A response was required by April 30, 2015. The wells are in violation of Oil, and Gas Conservation General Rule R649-3-36 (Shut-in and Temporarily Abandoned Wells). The wells are as follows:

<u>Well Name</u>	<u>API</u>	<u>Completed</u>	<u>Production</u>
SWEETHEART 7	43-019-31420	9/29/2005	None
LITTLE BOY 2	43-019-31460	1/13/2006	None
14-01	43-019-31450	1/13/2006	None
SWEETHEART 5A	43-019-31417	9/25/2005	344 bbls
SWEETHEART 2A	43-019-31418	11/10/2005	500 mcf

As a condition of Hinto taking operatorship of the wells, a plan of action to move these wells out of non-compliance status was required. Refer to the agreement dated February 5, 2014, accepted by the Division as a required part of the Operator change approved March 19, 2014. There is no indication that any of the work contemplated in the agreement has been completed for any of the wells.

Wells #1-3 above have been shut-in for over nine (9) years. Wells #4-5 have had minimal production over the life of the wells. They were to be reworked and returned to production; however, they have not had any showing of production since mid 2012. To date the Division has not received any information nor seen any evidence of any work being done as agreed. Hinto has not met the terms of the agreement.



Page 2
Hinto Energy
May 12, 2015

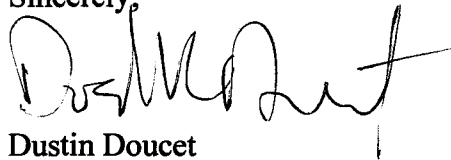
Therefore, the Division is ordering Hinto to plug and abandon the five subject wells immediately. Division authority to order these wells plugged is found in the Oil and Gas Conservation General Rule 649-3-36. The wells shall be plugged in accordance with R649-3-24.

Hinto has the right to appeal the Division Plugging Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Hinto does not plug and abandon the subject wells, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this order may be directed to Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely,



Dustin Doucet
Petroleum Engineer

DKD/JP/js

cc: John Rogers, Oil and Gas Associate Director
Steve Alder, Assistant Attorney General
LaVonne Garrison, SITLA
Compliance File
Well File



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 1, 2015

Certified Mail 7014 2870 0001 4232 4764

SECOND DIVISION WELL PLUGGING ORDER

Mr. George Harris
Hinto Energy
5350 S. Roslyn STE 400
Greenwood Village, CO 80111-2125

Subject: Second Division Order to Plug and Abandon the Sweetheart 7, Little Boy 2, 14-01, Sweetheart 5A, and Sweetheart 2A wells operated by Hinto Energy

Dear Mr. Harris,

14 215 23E

The Division of Oil, Gas and Mining ("Division") issued Hinto Energy ("Hinto") a Division Order, dated May 12, 2015, to plug and abandon the wells ("subject wells") as follows:

<u>Well Name</u>	<u>API</u>	<u>Completed</u>	<u>Production</u>
SWEETHEART 7	43-019-31420	9/29/2005	None
LITTLE BOY 2	43-019-31460	1/13/2006	None
14-01	43-019-31450	1/13/2006	None
SWEETHEART 5A	43-019-31417	9/25/2005	344 bbls
SWEETHEART 2A	43-019-31418	11/10/2005	500 mcf

As a condition of Hinto taking operatorship of the wells, a plan of action to move these wells out of non-compliance status was required. Refer to the agreement dated February 5, 2014 accepted by the Division as a required part of the Operator change approved March 19, 2014. There is no indication that any of the work outlined in the agreement has been completed for any of the wells.

Hinto signed for the Division Order on May 18, 2015. Hinto was required to respond within 30 days of the issuance of the order. To date the Division has not received any response from Hinto addressing this matter.

Therefore, the Division is ordering Hinto to plug and abandon the subject wells immediately. Division authority to order the subject wells plugged is found in the Oil and Gas Conservation General Rule 649-3-36. The subject wells shall be plugged in accordance with R649-3-24.



Page 2

December 1, 2015

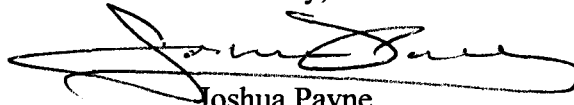
Subject: Second Division Well Plugging Order

Hinto has the right to appeal the Division Plugging Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Hinto does not plug and abandon the subject wells the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this order may be directed to Joshua Payne, Compliance Manager at (801) 538-5314 or Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely,



Joshua Payne
Compliance Manager

JP/js

cc: John Rogers, Oil and Gas Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Petroleum Engineer
LaVonne Garrison, SITLA
Compliance File
Well Files

Reset Form

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☒GAS WELL ☐

OTHER _____

2. NAME OF OPERATOR:

Hinto Energy

3. ADDRESS OF OPERATOR:

5850 S. Rosalyn St

CITY

Greenwood Village

STATE

CO

ZIP

80111

PHONE NUMBER:

(720) 939-1133

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

14-01

9. API NUMBER:

4301931450

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE SW 14 24S 23E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

1/5/2014

TYPE OF ACTION

☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☒ CHANGE WELL STATUS☐ COMMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☐ PLUG AND ABANDON☐ PLUG BACK☐ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☐ OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1/5/2014 Ran 31 joints tubing, AD1 packer set at 899 G.L.

S.N. at 963 G.L.

RECEIVED

MAR 30 2016

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Gary Herick

TITLE Interim President

SIGNATURE *Gary Herick*

DATE 3/30/2016

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Hinto Energy		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 5850 Roslyn St CITY Greenwood Village STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (720) 939-1133		8. WELL NAME and NUMBER: 14-01
4. LOCATION OF WELL FOOTAGES AT SURFACE:		9. API NUMBER: 4301931450
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 14 21S 23E		10. FIELD AND POOL, OR WILDCAT:
COUNTY: Grand		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 4/27/2016	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached procedure

RECEIVED
MAR 30 2016
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Gary Herick TITLE VP Finance
SIGNATURE *Gary Herick* DATE 3/30/2016

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 3/31/16

BY: *[Signature]*

* See conditions of Approval (Attached)



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: 14-01
API Number: 43-019-31450
Operator: Hinto Energy
Reference Document: Original Sundry Notice dated March 30, 2016,
received by DOGM on March 30, 2016.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. Amend Plug # 1: Spot plug from 900' to $\pm 500'$ (± 32 sx), tag plug.
3. Add Plug # 2: Perf 4 $\frac{1}{2}$ " casing @ $\pm 450'$. Establish circulation into perfs. If circulation is established, RIH w/CICR and set at 400'. To circulate cement back to surface, M&P 94sx, sting into CICR, pump ± 62 sx (until cement circulates), sting out and spot plug from 400' to surface (± 32 sx). If cannot circulate through perfs; spot a plug from 500' to 300' (16sx) and proceed to Plug #3. Alternative: Can pump a 200' cement plug inside/out from 450' to 250' with CICR @ 400' (29 sx below, 12 sx on top) and proceed with Plug # 3, if circulation is established through the perfs @ 450'.
4. Add Plug # 3 (if necessary): Perf 4 $\frac{1}{2}$ " casing @ $\pm 122'$, circulate cement inside/out of 4 $\frac{1}{2}$ " casing from 122' to surface (37sx).
5. All annuli shall be cemented from a minimum depth of 100' to the surface.
6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet

Petroleum Engineer

March 31, 2016

Date



Hinto Energy

Proposed Plugging Procedure

14-01

API# 43-019-31450

Sec. 14-21S-23E SESW SLM

Grand, Utah

Surf. Csg: 8.625" 23# @122' 12" Hole Cement to Surface

Prod CSG: 4.5" 9.5# @ 984' 6.25 Hole

TOC 700'

Perfs: 938-56' 824-828

TD 984' PBTD 984'

TBG @'

- 1. Notify DOGM of P&A operations at least 24hours prior to starting abandonment operations.**
- 2. MIRU plugging equipment. Blow down well if necessary. Remove wellhead equipment. NU BOP. TOH with 2 3/8" tubing. Check tubing.**
- 3. TIH to 900' Pump cement to surface**
- 4. Wait on cement fill as needed**
- 5. Cut of wellhead 4' below ground level and top off cement then install dry hole plate containing well information.**
- 6. RDMO**

API Well No: 43-019-31450-00-00

Permit No:

Well Name/No: 14-01

Company Name: HINTO ENERGY INC

Location: Sec: 14 T: 21S R: 23E Spot: SESW

Coordinates: X: 643565 Y: 4315286

Field Name: GREATER CISCO

County Name: GRAND

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/cf)
HOL1	122	12			
SURF	122	8.625	24	122	
HOL2	1005	6.25			
PROD	984	4.5	9.5	984	10.960

6 1/4" x 4 1/2" (608)

8 5/8" x 4 1/2"

6.787

4.046

Cement from 122 ft. to surface

Surface: 8.625 in. @ 122 ft.

Hole: 12 in. @ 122 ft.

122' * Add Plug #3

* if Plug 2 not circ to surface

$$\frac{10}{122'} / (1.15) (10.960) = 10.5x$$

$$\frac{out}{122'} / (1.15) (4.046) = 27.5x$$

Cement Information

37.5x total

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	984	700	G	50
SURF	122	0	G	50

250'

425' * Add Plug #2

* Perf @ ± 450' establish circ, set circ @ 400'

$$\text{Below } 122' / (1.15) (10.960) = 45x$$

$$\text{out } 200' / (1.15) (6.787) = 25.5x$$

$$\text{or to surface } 450' / (1.15) (6.787) = 58.5x$$

$$\text{Above } 150' / (1.15) (10.960) = 12.5x$$

$$\text{or to surface } 400' / (1.15) (10.960) = 32.5x$$

$$\text{Total} = 41.5x$$

$$\text{or to surf.} = 94.5x$$

* Amend Plug #1

* 900' to ± 500'

$$400' / (1.15) (10.960) = 32.5x$$

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
824	828			
938	956			

Formation Information

Formation	Depth
DKTA	425
MRSN	820

Cement from 984 ft. to 700 ft.

Production: 4.5 in. @ 984 ft.

938'

956'

Hole: 6.25 in. @ 1005 ft.

TD: 984 TVD: 984 PBTD: